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STANDING COMMITTEE ON

INFORMATION TECHNOLOGY

(2010-11)

FIFTEENTH LOK SABHA

MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY

(DEPARTMENT OF TELECOMMUNICATIONS)

DEMANDS FOR GRANTS

(2011-12)

TWENTY-FIRST REPORT

LOK SABHA SECRETARIAT

NEW DELHI

August, 2011/Sravana,1933 (Saka)

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MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY (DEPARTMENT OF TELECOMMUNICATIONS)

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Presented to Lok Sabha on 4th August, 2011

Laid in Rajya Sabha on 4th August, 2011

LOK SABHA SECRETARIAT

NEW DELHI

August, 2011/Sravana,1933 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2010-2011)

Shri Rao Inderjit Singh - Chairman

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Vacant **
5. Dr. Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Shri Mithilesh Kumar
9. Shri Sadashivrao Dadoba Mandlik
10. Shri Inder Singh Namdhari
11. Shri Adhalrao Shivaji Patil
12. Shri Abdul Rahman
13. Shri Prem Das Rai
14. Shri Tufani Saroj
15. Shri Tathagata Satpathy
16. Smt. M. Vijaya Shanti
17. Dr. Bhola Singh
18. Shri Dhananjay Singh
19. Shri Sushil Kumar Singh
20. Shri C. Sivasami
21. Shri Dharmendra Yadav

Rajya Sabha

22. Shri M.P. Achuthan
*23. Shri Mohammed Adeeb
24. Shri Salim Ansari
*25. Shri Rajeev Chandrasekhar
*26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
29. Shri Ravi Shankar Prasad
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

SECRETARIAT

1. T.K. Mukherjee - Joint Secretary
2. Sudesh Luthra - Director
3. Dr. Yumnam Arun Kumar - Under Secretary

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* Nominated to the Committee w.e.f. 21st September, 2010.

** vice Shri Milind Deora, ceased to be a member of the Committee consequent on his appointment as Minister of State for Communications and IT on 12.07.2011.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2010-11) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-first Report on Demands for Grants (2011-12) of the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Standing Committee on Information Technology (2010-11) was constituted on 31st August, 2010. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Telecommunications) for the year 2011-12 which were laid on the Table of the House on 16th March, 2011. The Committee took oral evidence of the representatives of the Department of Telecommunications on 29th March, 2011.

4. The Report was considered and adopted by the Committee at their sitting held on 18th May, 2011.

5. The Committee wish to express their thanks to the officers of the Department of Telecommunications for appearing before the Committee and furnishing the information, that the Committee desired in connection with the examination of the Demands for Grants.

6. For facility of reference and convenience Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

New Delhi
22 July, 2011
31 Sravana, 1933 (Saka)

REPORT

PART I

INTRODUCTORY

In this era of information, telecommunication plays a significant role in the growth and development of the various sectors of the economy of a Country. In India, the various telecom reforms have brought important changes beginning with the announcement of National Telecom Policy, 1994 that liberalized the telecom sector. This was followed by the National Telecom Policy, 1999 that allowed service providers to migrate from fixed licence fee regime to a revenue sharing regime and now with the announcement of the formulation of a comprehensive National Telecom Policy, 2011 it is pertinent to see how the Government would fulfill its objective of setting up of a world class telecom infrastructure and information which would bring about a rapid socio-economic development in the Country. In recent times, India has emerged as one of the fastest growing telecom markets in the world, following the unprecedented growth in the mobile telephony. With its latest figure of 806.13 million telephone connections, India has become a Nation which has the second largest network in the world after China.

2. The Department of Telecommunications (DoT) is responsible for formulation of Telecom Policy of the Country. It also carries out important functions such as international cooperation, wireless spectrum management, Research & Development and grant of licences to operators for providing basic and value added services in various cities and telecom circles as per approved policy of the Government. It is also responsible for looking after the various programmes/schemes carried out by its different wings as well as the various Universal Service Obligation (USO) activities carried out with the help of Universal Service Obligation Fund (USOF). Another important function is to look after the matters relating to its Public Sector Undertakings (PSUs), Autonomous and Regulatory Bodies and is also responsible for the administration of the Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997.

3. The Internal and Extra Budgetary Resources (IEBR) of the PSUs i.e. BSNL and MTNL fund the development and expansion of telecommunication activities. The Gross Budgetary Support (GBS) funds the programmes/schemes carried out by Wireless Planning and Coordination (WPC), Wireless Monitoring Organisation (WMO), Telecom Engineering Centre (TEC), Telecom Regulatory Authority of India (TRAI), Telecom Disputes Settlement and Appellate Tribunal (TDSAT), Centre for Development of Telematics (C-DoT), and the five Departmental projects i.e. Setting up of Telecom Testing and Security Certification Centre (TETC), Technology Development and Investment Promotion (TDIP), Undersea Cabling between Mainland and Andaman & Nicobar (UM&AN), Optical Fibre Cable based network for Defence Services (DS), etc..

4. The budgetary support is also provided for executing the Universal Service Support Policy (USSP) through the Universal Service Obligation Fund (USOF) for bringing rural telecom connectivity. The resources for meeting the same are generated through a Universal Service Levy (USL) which is 5 per cent of the Adjusted Gross Revenue (AGR) earned by all the telecom operators except pure value added service providers like internet service provider, voice mail etc. As per the information furnished by the Department, up to 2010-11, USOF schemes/activities were part of non-plan expenditure, however, from the year 2011-12 onwards, all expenditure on account of USOF schemes/activities has been made part of Plan expenditure by the Ministry of Finance with the approval of the Finance Minister.

5. For the year 2011-12, Demands for Grants of Rs. 9773.78 crore which includes Rs. 8745.82 crore as Revenue Outlay (comprising Rs. 4490.04 crore as Plan Outlay and Rs. 4255.78 crore as Non-Plan Outlay) and Rs. 1027.96 crore (Plan) as Capital Outlay were laid in Lok Sabha on 16 March, 2011. The Demands for Grants for 2011-12 were passed on 17th March, 2011 by Parliament after the suspension of Rule 331G of the Rules of Procedure and Conduct of Business in Lok Sabha. However, as per the ruling of the Hon'ble Speaker, Lok Sabha, the Committee may examine the Demands and make Report thereon.

6. The Committee in this Report have *inter-alia* analysed the position of Outlays and the expenditure, particularly the performance of the Plan schemes which are carried out with the help of Outlays provided under IEBR, GBS and USOF.

II. IMPLEMENTATION STATUS OF THE RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE CONTAINED IN THEIR EIGHTH REPORT (FIFTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2010-11) OF THE DEPARTMENT OF TELECOMMUNICATIONS AND THE STATUS OF THE STATEMENT LAID BY THE RESPECTIVE MINISTER UNDER DIRECTION 73 A OF THE DIRECTION BY THE SPEAKER, LOK SABHA.

7. The Standing Committee on Information Technology presented the Eighth Report on Demands for Grants (2010-11) to Lok Sabha on 21 April, 2010. The Report was laid on the Table of Rajya Sabha on 22 April, 2010. The Twentieth Report on action taken by the Government on the Recommendations/ Observations of the Committee contained in the Eighth Report was presented to Lok Sabha on 8 March, 2011 and was laid on the Table of Rajya Sabha on the same day. Out of 37 recommendations made by the Committee, 20 recommendations were accepted by the Government. Replies to 10 recommendations were found to be interim to which the Ministry was requested to furnish the final action taken replies. Replies to 7 recommendations were not accepted by the Committee which were reiterated in the Twentieth Report. The statement indicating the status of implementation of recommendations under Direction 73 A of the Direction by the Speaker, Lok Sabha contained in the Report was made by the Minister in the House on 16th August, 2010.

III. DoT Budget

Comparison of Demands for Grants of 2010-11 and 2011-12

(Rs. in crore)

Heads	BE 2010-11		RE 2010-11		BE 2011-12	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue Section	315.05	7610.87	172.60	10402.91	4490.04	4255.78
Capital Section	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	1684.95	0.00	224.66	0.00	1027.96	0.00
Grand Total	**2000.00**	**7610.87**	**397.26**	**10402.91**	**5518.00**	**4255.78**

Reduction in Outlays at RE stage during 2010-11

8. The above table indicates that during 2010-11 there has been a reduction in the Plan Outlays at RE stage both under the Revenue and Capital Outlays. The Revenue Plan Outlay was reduced by Rs. 142.45 crore whereas the Capital Plan Outlays was reduced by Rs. 1460.29 crore.

9. In this regard, the Committee enquired about the reasons for reduction in the Plan Outlay at RE stage both for Revenue and Capital Outlay during 2010-11. In reply, the Department attributed it mainly due to surrender of funds in respect of the schemes/units viz. non-execution of the Undersea Cabling between Mainland and Andaman & Nicobar Islands, delay in commencement of the Optical Fibre Cable Based Network for Defence Services, non-receipt of approval of the project 'Communication and Security Research and Monitoring' and delay in sanctioning of project for Telecom Engineering Centre (TEC) which was sanctioned as late as in February, 2011, etc.

Increase in Plan Outlays and Reduction in Non-Plan Outlays for the year 2011-12

10. When asked to comment on the increase in the Plan Outlay i.e. by Rs. 5120.74 crore (Gross) and reduction in the non-Plan Outlays i.e. by Rs. 6147.13 crore for the year 2011-12 when compared to the allocations made at the RE stage for the year 2010-11, the Department has stated that it is mainly due to shifting of expenditure under USOF from Non-Plan to Plan Outlay by the Ministry of Finance, increase of Rs 800.00 crore for OFC Based Network for Defence Services, increase in the allocation for C-DoT by Rs. 63.84 crore. Besides for the year 2011-12, allocations have been made for MCT i.e. Mid Career Training for IP & TAFS and creation of physical infrastructure for National Institute of Communications Finance (NICF).

IV. Broad analysis of the Plan Outlays IEBR + GBS during the Eleventh Plan

11. The Proposed Outlays, Budget Estimates, Revised Estimates and Actuals during 2007-08, 2008-09, 2009-10, 2010-11 (upto February, 2011) and 2011-12 both for Internal and Extra Budgetary Resources (IEBR) and Gross Budgetary Support (GBS) are as follows:-

(Rs. in crore)

Proposed Outlay/BE/RE/Actuals	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**
Proposed	26549.42	21971.35	17334.80	18188.05	19483.34
Budget Estimates	25561.97	21434.60	16216.02	18135.10	19881.09
Revised Estimates	16039.30	19950.24	15828.00	11860.84	
Actuals	8414.04	12464.24	14290.64	6507.60 (As on February, 2011)	
Percentage of utilization w.r.t. Revised Estimates	52.46%	62.48%	90.29%	54.87%	

12. The details of the scheme/programme-wise financial allocations and its utilization status upto February, 2011in each of the year of the Eleventh Plan is given at Annexure-I & II.

13. Explaining the reasons for gaps between the Outlays as Proposed and Budget Estimates and then between Budget Estimates and Revised Estimates during the last four years of the Eleventh Plan, the Department has stated that the Annual Plan is prepared after reviewing the progress of the ongoing projects and also by taking into account the status of the new/upcoming projects to be taken up in the subsequent year. Elaborating further the Department stated that the reduction at RE stage is done based on a revised projection of anticipated expenditure by taking into account the status of projects. Besides, the payment liabilities against various projects are also considered while projecting the BE for the next year. Sometimes due to reasons beyond control, the projects do not come up or get delayed and in such cases, the funds allotted remain unutilized resulting in lower expenditure.

Gross Budgetary Support (GBS) Component of the Plan Outlay

14. Details of Outlays and Actuals of the Gross Budgetary Support (GBS) Component of the Plan Outlay during 2007-08, 2008-09, 2009-10, 2010-11 (upto February, 2011) and 2011-12 are as follows:-

(Rs. in crore)

Total Proposed Outlays of GBS for the Entire Eleventh Plan	Total GBS during 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12:-			Actuals w.r.t. RE	Percentage of total Actuals w.r.t. total REs during 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12:-
	Year	BE	RE		
8862.18	2007-08	340.00	250.00	220.19	88.08%
	2008-09	375.00	725.00	687.00	94.76%
	2009-10	431.00	431.00	387.35	89.87%
	2010-11	2000.00	397.26	60.10 (as on February, 2011)	15.13%
	2011-12	3418.00			
	Total	**6564.00**			

Internal and Extra Budgetary Resources (IEBR) Component of the Plan Outlay

15. Details of Outlays and Actuals of the Internal and Extra Budgetary Resources (IEBR) Component during 2007-08, 2008-09, 2009-10, 2010-11 (upto February, 2011)and 2011-12:

(Rs. in crore)

Total Proposed Outlays for IEBR for the Entire Eleventh Plan	Total IEBR during 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12:-			Actuals w.r.t. RE	Percentage of total Actuals w.r.t. total REs during 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12:-
	Year	BE	RE		
94664.78	2007-08	25221.97	15789.30	8193.85	51.89%
	2008-09	21059.60	19225.24	11777.08	61.26%
	2009-10	15785.02	15397.00	13903.29	90.30%
	2010-11	16135.10	11463.58	6447.50 (as on February, 2011)	56.24%
	2011-12	16463.09	--	--	
	Total	**94664.78**			

16. Justifying the trend of having unspent balances year after year in the last four years of the Eleventh Plan, the Department explained to the Committee that it is mostly due to unforeseen and unavoidable situations whereby the tendering process gets delayed/ stalled in case of BSNL and the subsequent execution of project. Elaborating further, the Department has informed that in the telecom sector which is driven by very stiff competition, fast changing technologies and falling prices of the telecom equipments, it is increasingly difficult to predict/ forecast the requirements well in advance and therefore, some changes in the plan, keeping the market trends, are inevitable. The Department also added that as a measure of precaution certain provisions are kept in the projections which do not always get spent.

USOF Component of the Plan Outlays

17. For the year 2010-11, a total of non-Plan Outlay of Rs. 2400 crore was provided at the BE stage which was increased to Rs. 3100 crore at the RE stage. The funds disbursed upto December, 2010 are Rs. 2190.18 crore. An Outlay of Rs. 2100 crore has been made for the year 2011-12 at BE stage as Plan Outlay.

Total Universal Service Levy Collection and Final Allotment for USOF

18. As per the documents furnished by the Department, the total Universal Service Levy (USL) collection upto February, 2011 is Rs. 35700.83 crore, whereas, the final allotment and disbursal is only Rs. 13113.98 crore i.e. in terms of percentage it is only 36.73 per cent of the total USL collections made upto February, 2011.

V. Thrust Areas of the Department

Network Expansion

19. The Committee have been informed that the target of 600 million connections by 2012 has already been achieved by February, 2010.

Wireline vs. Wireless

Declining Growth of Wireline in the last five years

20. The Committee have been informed that the percentage share of wireline connectivity vis-à-vis the total connectivity during the year 2005 was 42.11 per cent, but it has sharply declined to 5 per cent as on January, 2011. The situation is opposite in case of the wireless connectivity. During the year 2005, the percentage share of wireless connectivity vis-à-vis the total connectivity in the country was 57.89 per cent, but it has grown to 95 per cent as on January, 2011.

21. Enquired as to why in-spite of the various steps taken by the Department, the wireline connectivity has shown a negative growth of 1.51 per cent from 31st March, 2010 (5.95 per cent) to 31st December, 2010 (4.46 per cent), the Department has simply stated that it is a worldwide trend.

The significance of wireline on broadband connectivity

22. When asked whether any study has been conducted to find out the relationship between the wireline and broadband connectivity, the Department has stated that at present there is no plan to have any study, however, a scheme for creation of National Optical Fibre Network (NOFN) for providing broadband connectivity to the Panchayats by extending the existing Optical Fibre Network is being formulated.

23. During evidence, the representative of the Department while elaborating on the plan for wireline and wireless broadband stated as under:-

> "After the auctions have been over, now we are set for the launch of wire line broadband in the rural areas. We are almost ready with the plan, and this wire line broadband is required because the reach of wireline in the rural areas is limited. There are many areas which are not possible to cover by wireline. Hence, we are taking up this wireless broadband, and it is also cost effective wherever wire line is not there."

Public Sector Vs. Private Sector

Declining share of Public Sector in the last five years

24. As per the information furnished by the Department, the total share of the public sector in the network expansion has declined from 52.95 per cent in 2005 to 15.40 by the end of December, 2010. In case of private sector, the total percentage share has increased from 47.05 per cent to 84.60 per cent during the same period.

Market Share of Public Sector Vs. Private Sector

25. As per the data furnished by the Department, the market share of public sector both for wireline and wireless services showed a decline. The wireline showed a decline by 1.95 per cent from March, 2010 to January, 2011. During the same period the wireless services also showed the decline from 12.76 per cent to 12.22 per cent. Contrary to this, the private sector showed a growth of 1.95 per cent in the wireline service and witnessed a growth from 87.24 per cent to 87.78 per cent in the wireless service during the aforesaid period.

26. In reply to a specific query whether the Department has ever reviewed/propose to review the performance of its two PSUs i.e. MTNL and BSNL *vis-a-vis* the performance of other private service providers, the Committee have been informed that BSNL/MTNL Management are completely free to decide and finalize its commercial and business polices. However, BSNL/MTNL has been signing Memorandum of Understanding (MoU) with the Department on yearly basis as per the MoU guidelines of the Department of Public Enterprises. Besides, there are various interactions which take place periodically to assess the overall performance, the quality of service offered by them, suggestions for improving the services etc.

27. With regard to 3G services by BSNL, the Department has stated that it was launched commercially on 27th February 2009 in 12 selected cities. 23,86,348 of 3G service subscribers are working in BSNL network as on 28.2.2011. Bharat Sanchar Nigam Limited has proposed to provide 3G services in total 760 cities in first phase covering all the district headquarters, commercially important towns and tourist places. Bharat Sanchar Nigam Limited has launched 3G services in 758 cities as on 11.2.2011.

VI. Rural Telephony

Urban Teledensity vs. Rural Teledensity

28. The Committee have been informed that out of 806.13 million telephone subscribers in the country, 268.16 million are in rural areas (32.19 per cent of the total phones) and the remaining 537.97 million are in the urban areas (67.81 per cent of the total phones) as on January, 2011. The overall teledensity which was 52.74 per cent as on 31 March, 2010 now stands at 67.67 per cent as on January, 2011. The increase in the rural teledensity during the same period is stated to be from 24.31 per cent to 32.19 per cent, whereas, the urban teledensity has shown an increase from 119.45 per cent to 150.20 per cent.

29. In the above context, the Committee enquired about the major areas that have been identified to improve rural telephony especially for the year 2011-12. In reply it was stated that some of the important identified areas *inter-alia* include financial support for provision of wireline, wireless broadband, broadband kiosks and Optical Fibre Cable (OFC) network especially in North East region.

VII. USOF Schemes: Rural Telephony

Newly Identified VPTs (as per Census 2001)

30. A total of 62443 new villages were identified as per Census 2001 to be covered under the Newly Identified VPTs scheme. As per the target, 90 per cent of the VPTs were to be covered by August, 2010 and the remaining 10 per cent by February, 2011. However, as on December, 2010 only 45783 i.e. 73.31 per cent VPTs have been installed and the deadline to complete the scheme has now been extended upto February, 2012. As on December, 2010, Rs. 18.53 crore has been utilized out of a total Outlay of Rs. 21.53 crore provided for the year 2010-11. For the year 2011-12, an Outlay of Rs. 194 crore has been projected with a physical target to install 14160 VPTs by February, 2012.

31. Some of the bottlenecks identified by the Department include villages being located in extreme remote areas, tough terrain, naxalite/ insurgency affected areas etc.

Social Audit for the Telecom facilities provided with Government funding

32. The Committee have been informed that in order to involve Gram Panchayats for social audit of telecom facilities provided with subsidy support from USO Fund, various Panchayats, are being consulted through the Department of Rural Development to ensure that the telecom facilities provided are maintained by the Services Providers effectively.

33. In the above context, the Committee enquired whether the consultation with Panchayats has been completed. In response, the Department has stated that the instructions have been issued to all field units i.e. Controller of Communication Accounts (CCAs) to interact with State/ Local Government Bodies to obtain necessary feedback on functioning of Rural Community Phones (RCPs) provided through USOF.

34. In a subsequent note, the Department added that apart from seeking feedback from Local Bodies, USOF Administrators have also initiated the process of independent evaluation for other schemes. Thus, for the Wire Line Broadband scheme, USOF administration has signed an agreement with the Indian Institute of Management Ahmadabad (IIMA) for impact assessment which also includes feedback from both rural beneficiaries and Gram Panchayats.

Having Telephone connection as one of the criteria to debar a person from BPL List

35. Enquired about the outcome of the clarification sought from Ministry of Rural Development to know whether having a telephone connection is one of the parameter that debars a person/family from the status of BPL, the Department has replied that clarification/information obtained from the Ministry of Rural Development

and Panchayati Raj Department, Government of Karnataka on whether having a telephone connection is one of the parameters that debars a person/family from the status of BPL is as follows:

> "Ministry of Rural Development: Ministry of Rural Development provides financial and technical support to States/UTs for conducting the BPL census to identify the rural households living Below the Poverty Line who could be assisted under its various programmes. Last such BPL census was conducted in 2002. The BPL census is conducted by the respective States/UTs and the BPL lists are prepared and maintained by the respective State Governments/UT administration. The existing criteria/methodology for identification of BPL households i.e. criteria/methodology for BPL Census 2002 was adopted on the recommendation of an Expert Group. This methodology is based on Score Based Ranking (SBR) of each household on socio-economic indicators taken as proxy indicators of poverty. In this method, 13 socio-economic indicators reflecting the levels of living and quality of life of the rural population were used to identify the poor households. The thirteen indicators are Land Holdings, Type of House, Availability of Clothing, Food Security, Sanitation, ownership of consumer durables viz. TV, Electric Fan, Kitchen appliances, Cooker, Radio etc., Literacy status if highest literate, Status of Household Labour, Means of livelihood, Status of Children, Type of Indebtedness, Reasons for migration and Preference for Assistance. So far as criteria/methodology to be adopted for proposed forthcoming BPL Census 2011 is concerned, this Ministry is still in the process of finalizing the methodology. After the same is finalized, guidelines will be issued to State Governments/UT administrations for its implementation/conducting the BPL Census.
>
> Rural Development & Panchayati Raj, Government of Karnataka: BPL Census 2002 was conducted in the year 2004 in the State of Karnataka (Sarva Kutumba Sameekshe) as per instructions and detailed guidelines, issued from Ministry of Rural Development, Government of India. As per the guidelines, the families were surveyed on 13 parameters allocating 0 to 4 marks for each parameter and the total marks ranged from 0 to 52. In the 13 parameters suggested, Telephone connection is also one of the parameters. The family having Telephone connection along with other household equipments like Television, Radio, Fan, Refrigerator, 2/4 wheelers etc. were given 4 marks. In Karnataka, families who scored 14 & less than 14 points are considered BPL families."

36. It was also stated that in the State of Karnataka (Sarva Kutumba Sameekshe) the BPL Census 2002 was conducted in the year 2004 as per instructions and detailed Guidelines issued from Ministry of Rural Development. As per the Guidelines, the families were surveyed on 13 parameters allocating 0 to 4 marks for each parameter and the total marks ranged from 0 to 52. In the 13 parameters suggested, telephone connection is also one of the parameters. The family having telephone connection along with other household equipments like television, radio, fan, refrigerator, 2/4 wheelers etc. were given 4 marks and families who scored 14 and less than 14 points are considered as BPL families.

Shared Infrastructure Mobile Service Scheme

37. A scheme was launched with the help of USO Fund to provide subsidy support for setting up and managing 7871 number of infrastructure sites (towers) in 500 districts across 27 States for provision of mobile services in the specified rural and remote areas, where there is no existing fixed wireless or mobile coverage. As per the information furnished by the Department the number of towers to be installed have since been revised to 7363 based on actual field survey and coverage achieved thereof as per the terms and conditions of the Agreement. The

infrastructure so created is to be shared by three service providers for provision of mobile services. The agreements effective from 1st June, 2007 were signed with the successful bidders in May, 2007. The roll out period was initially one year.

38. According to the information furnished by the Department, as on 28th February, 2011, there are 7252 i.e. 98.49 per cent mobile towers have been set up under this scheme. Utilizing the infrastructure so created, 13866 out of the target of 22161 Base Transceiver Stations (BTSs) i.e. 62.57 per cent have been commissioned by different Universal Service Providers. The Department has also informed that most of the towers under this scheme are to be commissioned in a phased manner by March 2011.

39. For the year 2010-11, an Outlay of Rs. 95 crore was provided at BE stage which was reduced to Rs. 90 crore at RE stage. As on December, 2010, only Rs. 63.33 crore has been spent. Out of the physical target of installing 265 mobile towers during 2010-11, only 138 towers could be installed as on December, 2010 i.e. only 52.10 per cent of target. For the year 2011-12, an Outlay of Rs. 89.75 crore has been provided at the BE stage.

40. Observing that the scheme has already achieved 98.27 per cent of its target, the Committee asked the justification for proposing an Outlay of Rs. 89.75 crore for the year 2011-12. In response, it was stated that for this scheme, subsidy is to be paid over a period of 5 years which includes equated quarterly subsidy for the towers already installed in previous quarters as well as for the remaining towers to be installed during the year 2011-12.

Radiation from Mobile Towers

41. With regard to radiation from mobile towers, the Department has informed that the issue was discussed during the meeting of Inter-Ministerial Committee and the Committee in its report has highlighted that most of the laboratory studies were unable to find a direct link between exposure to radio frequency radiation from mobile towers and health and the scientific studies have not been able to confirm a cause-and-effect relationship between radio frequency radiation and health and the effect of emission from mobile towers is not yet known with certainty.

42. When enquired whether the Department has ever thought of conducting a study with regard to impact of radiation on animals especially on honey bees, the Department stated that the Ministry of Environment & Forest has constituted an Expert Group to study the possible impact of communication towers on birds and bees.

Self Certification for Radiation Norms by Service Providers

43. When asked to furnish information on the steps taken by the Department to ensure that all service providers get their BTSs self certified for radiation norms to their respective Telecom Engineering and Resource Monitoring (TERM) Cells of DoT, it was stated that as per the instructions, the Telecom Service Providers shall

conduct audit and self certify annually for confirming to limits/levels for antennae (Base Station Emissions) for general public exposure as prescribed by International Commission on Non-Ionizing Radiation Protection (ICNIRP) from time to time. The Self Certificates are to be submitted to respective Telecom Enforcement, Resource and Monitoring (TERM) Cells of DoT and penal provisions for non submission have been made.

44. With regard to the total number of Base Transceiver Stations (BTS) that have been self-certified for radiation norms, the Department has stated that as on 28th February, 2011 a total number of 5.28 lakh BTSs have been self-certified. However, around 59000 BTSs were yet to be self-certified.

Testing Of Mobile Towers

45. Expressing their concern with regard to the radiation from mobile towers, the Committee desired to know the outcome of the nationwide testing of mobile towers campaign by Telecom Engineering and Resource Monitoring (TERM) cells of DoT. In reply, the Department has stated that a total number of 1770 mobile towers have been tested for radiation norms till 28th February, 2011. Out of these, none of the towers were found exceeding the radiation limits. However, 46 towers were found having improper signages.

46. In the above context, the Committee asked to furnish the details of the guidelines that have been issued for the proper signages of the towers. The Department in response stated that the signages are to be provided as per the procedure prescribed in the Generic Requirement document prescribed by Telecom Engineering Center (TEC).

47. When asked about the possibility of having an independent Regulator for testing of mobile towers, the Committee have been informed that the Department has no such plan.

Illegal Operation of Telecom Network

48. When enquired about any instances of illegal operation of telecom networks by vested interests having no licence, the Department has stated more than 500 clandestine /illegal setups have been busted by the TERM Cells and these cases have been handed over to the concerned Law Enforcement Agencies.

49. When asked to furnish details about the 500 clandestine / illegal operation of telecom networks that have been busted by TERM Cells, the Department has explained to the Committee that Clandestine / illegal operation of telecom networks broadly means an illegal activity (not permitted under Indian Telegraph Act) by persons not granted telecom license, causing loss to the exchequer. For instances, illegal termination of International Long Distance (ILD) calls bypassing the authorized National Long Distance (NLD)/ International Long Distance (ILD) operators' networks. In such case, the offenders use the facility of leased lines, High speed Internet Connections or illegal VSAT (Very Small Aperture Terminal) Link with foreign satellite to connect the incoming international calls to the recipient Networks, bypassing the ILDOs international gateway and NLDOs. In most of such cases, Caller Line

Identification (CLI) is also tampered. The Department also added that such types of cases are also a security threat to the Nation, as these type of calls may escape monitoring.

50. In a subsequent note, the Department has informed that 540 cases of raids were conducted by the vigilance branch of TERM Cells and cases have been registered with the various police stations of Gujarat, Tamil Nadu, Kerala, Puducherry, Delhi, Uttar Pradesh, Haryana, Punjab, Rajasthan, Maharashtra, West Bengal, Andhra Pradesh, Madhya Pradesh, Orissa, Chattishgarh and Karnataka.

51. Enquired about when the aforesaid cases were handed over to the Law Enforcement Agencies, the Department stated as under:

> "……..Usually, the raids are being conducted along with the persons from Law Enforcement Agencies (LEAs) and the cases are handed to the LEAs simultaneously…….. Regarding status of the cases the data is required to be collected from various LEAs which is likely to take time due to large number of cases involving different LEAs in different states. Communications are being sent to the LEAs separately."

52. When asked how the TERM Cell could find out the telecom network having illegal network, the Department stated as under:

> "TERM Cells broadly have following sources/ methods to find out the clandestine activity/ grey market operations:
>
> - Through the complaints booked by public on the telephone no. 1800-110-420 of DOT
> - Through complaint/ information received by any other means
> - Through Observation of unusual traffic in operators networks
> - Through social contacts
> - Through already investigated/ under investigation cases
> - Through Security/Law enforcement Agencies
>
> Whenever such information is received by TERM Cells, they examine/ analyse the information and identify the culprits/ location of illegal operation and then a raiding party comprising of officers from TERM Cell, CBI/ local Police is formed. Representatives of the concerned Telecom operator are also included in the raiding party if felt appropriate. The team conducts the raid on the premises of the illegal operation. The setups found at the site are investigated by TERM Cell officers as per the evidences found (routers, PCs, SIM cards, cabling, internet connections etc.). If prima-facie it is established that illegal setup was working at the premises, the matter is handed over to Law Enforcement Agency for further actions. This is one of the assigned activities of TERM Cells."

VIII. Use of Non-Conventional Energy-Pilot Projects

53. As per the Outcome Budget 2011-12 of the Department, Pilot Projects to establish the viability of Powering of Shared Mobile Infrastructure Sites in Rural Areas through solar/solar-wind hybrid installations-subsidy support

from Ministry of New and Renewable Energy and USOF shall be provided towards solar/solar-wind hybrid power installations in 28 USOF shared mobile infrastructure sites. The results obtained from these sites would help to establish technical feasibility and financial viability of utilization of renewable energy in shared mobile sites in rural areas.

54. The Department has further informed that the concerned authorities are in consultation with the Ministry of New and Renewable Energy for inviting bids for 28 Renewable Energy sites on a pilot basis with one in each State.

55. Enquired about the outcome of invitation of bids for 28 Renewable Energy sites on a pilot basis, the Department has stated that a draft agreement to be signed with the GTL/BSNL/RCIL/KEC/BSEL/QTIL Infrastructure Providers (IPs) was prepared and vetted but the successful Infrastructure Providers (IPs) are yet to confirm their willingness to sign the agreement for implementing the Renewable Energy projects i.e. Solar and Solar-Wind Hybrid at the prevailing rates.

56. Asked about the reasons for the difference of opinion between the Department and the Infrastructure Providers with regard to signing of the agreement at the prevailing rates, the Department stated that EOI (Expression of Interest) was floated in June 2009. However, the bidders had quoted exorbitant rates *vis-a-vis* prevailing market rates as well as the benchmark rates given by Ministry of New and Renewable Energy. Accordingly, it was felt necessary to incorporate a stipulation in the agreements, to the effect that the prevailing rates of Ministry of New and Renewable Energy will be compared with the representative rates and the lower of the two would be taken. However, none of the bidders is agreeable to incorporation of this stipulation in the agreements.

Solar Mobile Charging Facilities

57. As per the information furnished by the Department, financial support is being provided for solar mobile charging stations in 5000 villages through TERI Project of Lighting a Billion Lives (LaBL). The Agreement to this effect has been signed on 29th April, 2010. The solar mobile charging stations in these 5000 villages are to be provided in a phased manner over a period of two years from the date of signing of the Agreement. Till 31st December, 2010, mobile charging stations have been established in 69 villages.

IX. Broadband Expansion

58. As per the information provided by the Department, there are about 10.97 million broadband connections in the Country at the end of December, 2010 as against the target of 20 million broadband subscribers set by the Broadband Policy, 2004. This indicates that the broadband penetration is just about 0.8 per cent when compared

with the teledensity of 67.67 per cent. Out of the total broadband connections that have been provided, it has reached to 4312 cities, 5865 block headquarters, 627 district headquarters covering 1,69,201 villages.

59. In the above context, the Committee desired to know the various steps that have been taken by the Department to improve the situation of poor broadband penetration. In response, the Department stated that various efforts of the Government include successful auction of 3G and BWA spectrum, amendment of the Indian Telegraph Rule: Stream IV has been added under the Title 'Provisioning of broadband connections to villages in a phased manner'. Under this, various initiatives have been taken which include Rural Wireline Broadband Scheme, Rural Wireless Broadband Scheme and Satellite Broadband connectivity for rural and remote areas.

60. When asked whether any initiative has been taken to study the steps taken by the countries which have good broadband penetration like Sweden, Denmark, USA and Hongkong, the Department has stated that no such study has been conducted.

61. As per the target of the Department all the 2.5 lakh Village Panchayats in the country are to be provided with broadband connectivity by 2012, from where, broadband connection can be given to Secondary & Higher Secondary Schools and Public Health Centres. The Department has apprised the Committee that Information regarding Secondary & Higher Secondary Schools and Public Health Centres that are broadband enabled is not available with BSNL.

62. In the above context, the Committee desired to know about the achievement made visa-vis the stipulated target to make 2.5 lakh village Panchayats broadband enabled by 2012, the Department has stated that out of the total Village Panchayats of 247864 only 97548 Village Panchayats i.e. only 39.36 per cent have been broadband enabled as on 31 January, 2011. The details are given at Annexure-III.

63. The Committee then asked as to how the Department would ensure 100 per cent achievement by 2012. In this regard, the Department stated that the process of covering 2.5 lakh Gram Panchayats is already under going and is being done by BSNL and it would receive further impetus by the launch of 'Rural Wireless Broadband Scheme' of USOF which would be launched shortly.

X. USO Activities and progress made in Broadband Expansion

Wireline Broadband Connectivity in Rural and Remote Areas

64. The scheme was launched in January, 2009 to cover 28,000 rural exchanges and for a capacity creation of about 18 lakhs connections with a roll out period of 5 years. Under this scheme, BSNL is to provide 8,88,832 wire-line Broadband connections to individual users and Government Institutions over a period of 5-years, i.e., by 2014.

As on December, 2010, a total of 2,53,084 broadband connections have been provided and 670 kiosks have been set up in rural and remote areas.

65. During 2010-11 an Outlay of Rs. 125 crore was provided at BE stage which was reduced to Rs. 53.59 crore at the RE stage. As on December, 2010, out of the Outlay provided, Rs. 45.49 crore has been utilized with an achievement of 1.15 lakh broadband connections and 666 kiosks out of the stipulated target of 1.5 lakh broadband connections and 1500 kiosks. For the year 2011-12, an Outlay of Rs. 166.50 crore has been provided at BE stage with a physical target of 2.5 lakh broadband connectivity and 5000 kiosks.

Wireless Broadband connectivity in rural and remote areas

Rural Wireless Broadband Scheme

66. The USOF is working on a scheme for providing financial assistance by way of subsidy for the wireless broadband such as BTS, by utilizing the existing infrastructure available with the Telecom Service Providers. This scheme would provide broadband coverage to about 5,00,000 villages at a speed of 512 kbps. The Committee have been informed that with the completion of the 3G Spectrum and BWA auction, the stage is set to launch the scheme. An Outlay of Rs. 215 crore was provided during the year 2010-11, however, the scheme could not be launched. For the year 2011-12, an Outlay of Rs. 300 crore has been provided at the BE stage with a target to cover 50000 villages by the end of March 2012.

Satellite Broadband connectivity for rural & remote areas

67. The scheme has been proposed for those rural & remote villages where terrestrial connectivity, i.e. wireline/wireless network, is not feasible. The USOF has identified about 5,000 such villages, which do not have any terrestrial connectivity. Initially, the plan is to cover about 1200 such villages. As per the Department, the scheme has recently been approved and would be launched during the current Five Year Plan.

68. An Outlay of Rs. 5 crore was provided during the year 2010-11, however, the scheme was not launched. An Outlay of Rs. 1 crore has been provided for the year 2011-12 at BE stage with a target to provide 100 satellite broadband connections by the end of March, 2012.

69. When asked the reasons for not launching the scheme during 2010-11, the Department has stated that BSNL has raised some technical issues which led to the delay. The technical issues are under examination and the scheme would be launched in a few months.

Optical Fiber Cable and Broadband Connectivity

70. During the examination of DFG (2010-11), the Committee were apprised that all existing OFCs would be mapped on a GIS platform within 2 months by USOF to get a better estimate of the required additional OFC and a

Detailed Project Report (DPR) would be prepared by USOF which would include estimation of growth of broadband connections in rural area for next 20 years.

71. In the above context, the Committee desired to know the latest status with regard to GIS Mapping to ascertain incremental OFC length. In reply, the Department has stated that USOF has already assigned the activity of GIS Mapping to National Informatics Centre (NIC). The GIS mapping of the entire OFC network of various operators, including PSUs, is in progress. NIC has mapped about 2,13,000 Kms. of OFC length and over 10,000 OFC stations are on the GIS platform. The Scheme for creation of National Optical Fibre network for broadband connectivity of Panchayats is under formulation.

XI. USO Pilot Project for Optical Fibre Network Augmentations

Augmentation, creation and Management of OFC network in Assam, North-Eastern States and West Bengal Service Areas.

72. The scheme was launched on 12th February, 2010, with a target of installing 354 OFC nodes. During the year 2010-11, an Outlay of Rs. 26 crore was provided for the scheme and 71 OFC nodes have been installed as on December, 2010 out of the stipulated target of 100 OFC nodes. For the year 2011-12, an Outlay of Rs. 49.50 crore has been provided at BE stage with a target to complete 254 OFC nodes in Assam by the end of March, 2012.

73. Taking into account that laying of OFC depends on the Right of Way (RoW) permission from State Governments, the Committee desired to know about the steps taken to address the issue with the State Governments. In response, the Department has stated that the matter has been taken up with all the State Governments and in this connection a letter has been written by the Secretary, DoT to the Chief Secretaries of all the State Governments on 3rd October, 2010 and the DoT's Guidelines on the matter have been circulated.

74. It was further stated that the Tripura Government has allowed free Right of Way subject to reinstatement charges. The Andhra Pradesh Government is already providing similar Right of Way. The Haryana Government has acknowledged the letter. The feedback from other State Governments is still awaited.

75. The Committee during their study visit in February, 2011 at Tawang were informed by the Department that the work of laying OFC (Optical Fibre Cable) in Arunachal Pradesh with the assistance of army authorities is under way and the work is expected to be completed within one month i.e. by March, 2011. However, the Committee have now been informed that the scheme has just been approved by the competent authority and the tender for its implementation is likely to be finalised by March/April 2011. The scheme is likely to be completed by 2013-14.

76. In the above context, the Committee desired to know the reasons for the delay in implementing the OFC in Arunachal Pradesh. In reply, the Department has stated that the bandwidth swapping has been done with Army

between the section Tezpur – Bomdila and Bomdila – Tawang as the OFC laid in Section Bomdila – Tawang is having more losses due to frequent cuts during road widening. Also microwave route is planned in Bomdila – Tawang route as an alternate media for better reliability.

The role of Broadband in the Gross Domestic Product (GDP)

77. In the background of findings of the survey conducted by World Bank that for every increase of 10 per cent regarding accessibility to broadband connectivity, it leads to an increase in the growth of GDP by 1.38 per cent, the Committee desired to know whether any survey has been conducted/completed, the Department has stated that it is initiating a survey to ascertain the impact of broadband in growth of GDP in the country and the outcome of the same will be submitted in due course of time.

Broadband and National Mission on Education Through Information and Communication Technology

78. The Committee during their study visit at Tawang in February, 2011 were informed that BSNL has got a project from Ministry of Human Resource Development for providing broadband connectivity to 5 Universities and 127 colleges across NE-II Circle.

79. When asked about the major initiatives taken by the Department with regard to Mission on Education Through Information and Communication Technology, it has been stated that the Department of Higher Education has undertaken the mission for providing broadband connectivity to 20,000 colleges in the country for enabling them for full use of e-content. The mission is being monitored by the Empowered Committee of experts under the Chairmanship of Secretary, Higher Education with members from Department of Telecommunications, Department of Information Technology, Planning Commission and other premier institutes including IIT. The initial scope of the work was to provide connectivity to 419 universities (speed 155 Mbps) and 20,000 colleges (speed 512 Kbps) at an estimated cost of about Rs. 1323 crore. The work for providing the network connectivity to 272 Universities and 10874 colleges has been done as on 22 March, 2011.

Software in Local/Regional Language

80. When enquired about the plan of the Department to develop software in local/regional languages in coordination with the Department of Information Technology, the Department has stated that the DIT's Research Programme "Technology Development for Indian Languages" is doing a long term research and standardization to enable the support of Indian Languages on ICT platform. Unicode, the basic text storage standard, has been completed in 22 Indian Languages along with many other such initiatives of standardization which could be accessed.

Rural Public Service Terminals (RPST) Scheme to eligible Women SHGs on pilot basis

81. As per the information furnished by the Department, Memorandum of Understanding (MoU) has been signed with BSNL for subsidy support from USO Fund for provision of broadband enabled Rural Public Service Terminals (RPST) to eligible Women Self Help Groups (SHGs) on pilot basis. Under this scheme, BSNL is to provide an RPST to one eligible SHG from each of its eligible rural wire-line exchanges on agreed terms and conditions with subsidy support from USO Fund. With this initiative, the RPST will be capable of providing value-added services (VAS) such as (i) banking services such as cash withdrawals and remittances whereby the RPST franchisee acts as a bank, (ii) facilitation of Government disbursements/transactions (NREGA, Pension, PDS etc.), (iii) Railway, Airline and Bus Ticketing, Mobile Top-ups, Utility Bill Payments, etc which will generate additional revenue for the SHG, (iv) retailing Airtime (PCO services) and (v) retailing of Life, General and Micro Insurance services such as crop, cattle, health and home insurance.

82. With regard to modalities that have been worked out for the scheme viz. cost, timeline and the States/UTs for the implementation of the Scheme, the Department has stated that an agreement was signed with BSNL on 11th January, 2010 and these RSPTs are to be provided by January 2014. Estimated subsidy outlay against the above scheme is Rs. 4.7 crore. Under the scheme one RSPT is to be provided for each of the 2770 rural wire-line exchanges i.e. 1959 in the State of Rajasthan (Ajmer & Bhilwara Districts) and 811 in Himachal Pradesh (Shimla & Mandi Districts).

83. When asked about the specific reasons for choosing the States of Rajasthan and Himachal Pradesh, the Department has stated that the RPST scheme is a gender based scheme where the subsidized terminals are being provided to women's Self Help Groups (SHGs). In discussions about gender based USOF schemes, the States of Rajasthan and Himachal Pradesh were suggested to the Department by the representative from Ministry of Women and Child Development as these States have strong SHG movements.

XII. DoT Projects

OFC based network for Defence Services (DS)

84. The Committee have been informed that the cost of the project is Rs. 8098 crore and the time line for implementation of the project is December 2012.

85. An Outlay of Rs. 1500 crore was provided in BE stage of 2010-11 which was reduced to Rs. 200 crore at RE stage. No amount has been utilized as on January, 2011. An Outlay of Rs. 1000 crore at BE stage has been provided for the project for the year 2011-12.

86. As regards, the vacation of spectrum by Defence after the dedication of the Air Force Network to the Nation on 14 September, 2010, the Committee have been informed that Ministry of Defence has released the following spectrum -

(i) 2 G spectrum (1710-1785/1805-1880) MHz-
5 + 5 MHz on 22.10.2009
5 + 5 MHz on 31.08.2010

(ii) 3 G spectrum (1920-1980 MHz)
10 MHz on 22.10.2009
10 MHz on 31.08.2010

Concern of Ministry of Defence for not taking up of OFC military network

87. In the wake of the development that the Ministry of Defence will not vacate any more spectrum for civilian use, including commercial mobile telephony, if the Department of Telecommunications and Ministry of Finance do not start the dedicated Optical Fibre Cable (OFC) based network for Armed Forces and Navy, the Committee desired to know the reaction of the Department to the move of the Ministry of Defence. In reply, it was stated that the case for approval of additional cost of Rs.4957.03 crore of the OFC tender of Army & Navy has been referred to DoT for which a meeting of Full Telecom Commission was held on 30th November, 2010. FTC has requested the Ministry of Defence (MoD) to authenticate the specifications and the Member (Finance), Telecom Commission to examine the whole issue. Ministry of Defence and Member (Finance) have submitted their responses. Based on the comments of Ministry of Defence, the Inter Ministerial Group (IMG includes representatives from Ministry of Defence, Planning Commission, Department of Economic Affairs (DEA), Wireless Planning & Co-ordination (WPC), BSNL and DoT under the Chairmanship of DDG (DS), DoT) has again been requested to deliberate on the issue as a whole and give its report within two weeks.

88. In a subsequent note, the Department has stated that the Inter-Ministerial Group has yet to submit its Report.

XIII. 2G and 3G Spectrum

Roll Out Obligation of 2G Spectrum

89. The Department in the written reply has informed that 120 new licences of 2G spectrum for Unified Access Services were issued by the Department in January 2008.

90. On being asked as to how many operators in the Country are yet to start 2G operations after obtaining the licence, the Department stated as under:

"There are 6 Licensees to whom start up spectrum has been allocated after award of UAS License but who have not yet registered with Telecom Enforcement and Resource Monitoring (TERM) Cells of Department of Telecommunications (DoT) for coverage testing of their network to meet the roll-out obligations as per license conditions. The details are as follows:

Sl. No.	Name of Licensee Company	Name of service areas
1	S. Tel Private Limited	Jammu and Kashmir
2	Spice Communications Limited	Andhra Pradesh
3	Spice Communications Limited	Haryana
4	Spice Communications Limited	Maharashtra
5	Idea Cellular Limited	Karnataka
6	Idea Cellular Limited	Punjab"

91. Para 35.2 of the Licence Agreement for Provision of Unified Access Service as on the Department of Telecommunications website states as under:

"In case the LICENSEE fails to bring the Service or any part thereof into commission (i.e., fails to deliver the service or to meet the required coverage criteria/network roll out obligations) within the period prescribed for the commissioning, the Licensor shall be entitled to recover LD charges @ Rs.5 Lakh (Rupees Five Lakhs) per week for first 13 weeks; @ Rs.10 Lakh for the next 13 weeks and thereafter @ Rs.20 Lakhs for 26 weeks subject to a maximum of Rs.7.00 crores. Part of the weeks is to be considered as a full week for the purpose of calculating the LD charges. For delay or more than 52 weeks the Licence may be terminated under the terms and conditions of the Licence agreement. The week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purpose of recovery of liquidated damages."

,92. When enquired as to how many licenses have been cancelled by the Department due to delay of more than 52 weeks with regard to rolling out of services of 2G spectrum after getting the licence from the Department, the Department stated as under:

"……. Out of the 120 UAS licensees, show cause notices for termination of UAS licenses due to violation of rollout obligations conditions have been issued to 5 licensees. Two more show cause notices for termination are under approval."

93. When asked which are the defaulting companies and what penal measures have been taken against them for failure to fulfill the rolling out of obligations of 2G services, the Department stated as under:-

"The decision for termination of UAS licenses shall be taken after considering the reply of show cause notices by the competent authority. Many licensees have filed the petitions in the Hon'ble TDSAT against imposition of LD and the matter is sub judice."

94. Regarding the amount of money have been collected by the Department by invoking the penal provisions for the non-roll out of services after availing the 2G Licence, the Department stated as under:-

> "An amount of Rs. 220 Crores approximately have been collected by the Department from the licensees to whom 120 UAS licenses were granted in the January, 2008."

95. The details of the show cause notice and the penalty amount calculated as per the license conditions for the 120 UAS Licensee are given at Annexure-IV.

96. When enquired about any instance where the delay of more than 52 weeks has been found by the Department and the licence has not been cancelled, the Department stated as under :-

> "In respect of these 120 UAS licensees, it has been decided that as per license conditions wherever delay in meeting the rollout obligation conditions is more than 52 weeks, the show cause notice for termination of UAS licenses shall be issued. The decision for termination of UAS licenses shall be taken after considering the reply of show cause notices."

97. Enquired about the legal binding of the provision as given in Para 35.2 with regard to delay in the rolling out of services after availing the licences by the service providers, the Department stated as under:-

> "As far as legal binding of the provision of Para 35.2 is concerned, it is to mention that these conditions are part of license agreement signed between licensor and licensee which it legally enforceable document."

98. As per Para 10.2(I) of the Licence Agreement for Provision of Unified Access Service given by the Department of Telecommunications on its website, the Licensor may, without prejudice to any other remedy available for the breach of any conditions of LICENCE, by a written notice of 60 Calendar days from the date of issue of such notice to the LICENCEE at its registered office, terminate this LICENCE under any of the following circumstances:

If the Licensee:

a) Fails to perform any obligations(s) under the LICENCE including timely payments of fee and other charges due to the LICENSOR;

b) Fails to rectify, within the time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the LICENSOR.

c) Goes into liquidation or ordered to be wound up.

d) Is recommended by TRAI for termination of LICENCE for non-compliance of the terms and conditions of the LICENCE.

99. In the above context, the Committee desired to know as to how may licencees have been issued notices for not agreeing to the obligation as per the Licence Agreement, the Department stated as under:

> "It is to mention that compliance to different conditions of license are dealt in various wings/units, of DoT. Compilation of violations by approximately 260 existing UAS licensees is not readily available. Inputs from TRAI will also be required to get the details of violations related to any defect/deficiency/correction in services/equipments noticed by them. It will take some time to collect all the data. The UAS License condition related to security inter alia provides that the LICENSEE shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the licensor in this regard from time to time shall be scrupulously followed. In this context, the TERM Cells of DoT conduct regular sample audit of Customer Acquisition Forms (CAFs) of the subscribers of all the CMTS/UAS Licensees in all licensed service areas. Based on the compliance of the instructions issued on the subject, penalty is imposed for all the non-compliant cases by the respective TERM Cells."

100. When enquired as to how many licences have ever been cancelled due to non-compliance of the Licence Agreement, the Department stated as under:-

> "No UAS Licenses have been terminated till now. Recently, TRAI recommended for cancellation of 74 UAS licenses for violation of rollout obligation conditions. Out of these 74 UAS Licenses, show cause notices for termination have been issued to 5 licensees and for additional 5 licensees, notices are under approval. Remaining 64 cases have been referred back to TRAI for their reconsideration in the context of license conditions. In addition to above, 3 show cause notices for cancellation of UAS licenses have been issued for violation of rollout obligation conditions & 2 more show cause notices for termination are under approval. One show cause notice for termination has been issued for violation of the license conditions and intra-service area merger guidelines and 5 more notices of similar violations are under legal vetting. These notices are being issued as per license condition 10.2(i)."

101. As per para 10.3 of the Licence Agreement for Provision of Unified Access Service given by the Department of Telecommunications on its website, the LICENSEE may surrender the LICENSE, by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its customer of consequential withdrawal of SERVICE by sending a 30 Calendar days notice to each of them. The LICENSEE shall pay all fees payable by it till the date on which the surrender of the LICENCE becomes effective. The effective date of surrender of Licence will be 60 Calendar days counted from the date of receipt of such notice by the licensor.

102. In the above context, the Committee desired to know till date, how many licenses have been surrendered by the Licensee as per the provision given in Para 10.3 and about the legal binding of the terms and conditions given as per Para 10.3 of the Licence Agreement for Provision of Unified Access Services, the Department stated as under:-

> "As per available records, the number of licenses surrendered by the licensees is as follows:

S. No	Name of Licensee	Type of service for which license was originally issued	Service Area
1.	M/s Bharti Telenet Ltd.	Basic	Madhya Pradesh
2.	M/s Bharti Telenet Ltd.	Basic	Karnataka
3,	M/s Bharti Telenet Ltd.	Basic	Haryana
4.	M/s Bharti Telenet Ltd.	Basic	Delhi
5.	M/s Bharti Telenet Ltd.	Basic	Tamilnadu

As far as legal binding of the provision of Para 10.3 is concerned, it is to mention that these conditions are part of license agreement signed between licensor and licensee which it legally enforceable document."

Roll-Out Obligation of 3G Spectrum Services

103. The 3G and Broadband Wireless Access (BWA) Spectrum was concluded in June, 2010 and the spectrum was allotted to successful bidders for commercial use on September 1, 2010. However, as per the written replies furnished by the Department it indicates that successful bidders viz. Vodafone Essar Limited, Bharati Airtel Limited, Reliance Telecom Limited, Tata Teleservices Limited, Ideal Cellular Limited, BSNL, MTNL, Aircel Limited and S.Tel Private Limited are yet to commercially launch 3G services in various States/Cities. Vodafone Essar Limited is yet to commercially launch its services in Mumbai, Maharashtra, Gujarat, Tamil Nadu, Haryana, UP East, West Bengal, Kolkata. Bharati Airtel Limited is yet to commercially launch 3G services in Mumbai, Andhra Pradesh, UP West, Rajasthan, West Bengal, Himachal Pradesh, Bihar, Assam, North East and Jammu and Kashmir. Reliance Telecom is yet to launch its 3G services in Madhya Pradesh, West Bengal, Himachal Pradesh, Bihar, Orissa, and North East. Idea Cellular Limited is yet to launch its 3G services in Gujarat, Andhra Pradesh, Kerala, Punjab, Haryana, UP East, UP West, Madhya Pradesh, Himachal Pradesh, Jammu and Kashmir and Maharashtra. BSNL is yet to launch its 3G services in Jammu and Kashmir. Aircel Limited is yet to launch its 3G services in West Bengal and Punjab. S.Tel Private limited is yet to start its 3G services in Orissa, Bihar and Himachal Pradesh.

104. When asked about the punitive measures that have been taken against the defaulter service providers with regard to adhering to the roll out obligations with regard to the 3G services, the Department stated as under:-

"As per amendment of UAS license agreements to use 3G spectrum for provision of telecom access services, "The Licensee shall ensure compliance of following network rollout obligations for 3G Spectrum for respective category of the licensed service area(s).

(a) Applicable for Metro Service Area license(s): The Licensee to whom the 3G spectrum is assigned shall be required to provide required street level coverage using the 3G Spectrum in at least 90% of the service area within five years of the Effective Date.

(b) Applicable for Category A, Band C service area licence(s): The licensee to whom the spectrum is assigned shall ensure that at least 50% if the District Headquarters ("DHQ") in the service area will be covered using the 3G Spectrum, out of which at least 15% of the DHQs should be rural Short Distance Charging Areas ("SDCA"), within five years of the Effective Date. SDCA is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas. Further:

(i) The operator shall be permitted to cover any other town in a District in lieu of the DHQ.
(ii) Coverage of a DHQ/town would mean that at least 90% of the area bounded by the municipal/local body limits should get the required street level coverage;
(iii) The DHQ shall be taken as on the Effective Date;
(iv) The choice of DHQs/towns to be covered and further expansion beyond 50% of DHQs/towns shall lie with the operator.

The Effective Date shall be the date when the right to use awarded spectrum commercially commences i.e. the date of issue of this amendment letter. If the licensee does not achieve its rollout obligations, it shall be allowed a further period of one year to do so by making a payment of 2.5% of the Successful B id Amount (i.e. spectrum acquisition price) per quarter or part thereof as liquidated damages. If the licensee does not complete its rollout obligations even within the extended period of one year, the 3G spectrum assignment shall be withdrawn".

105. The Department added that these amendments have been issued from 1st September 2010 onwards to various licensees. Accordingly, the compliance of rollout obligations of 3G spectrum services shall be examined after it becomes due.

XIV. Undersea Cabling between Mainland and Andaman & Nicobar Island (UM&AN)

106. In order to provide an alternate and more importantly a reliable communication link to avoid communication black out in a disaster, a need was felt to have a submarine cable link from mainland to Andaman and Nicobar Islands. The scheme was proposed to be funded by Government of India and executed by M/s Millennium Telecom Limited, a joint venture company of BSNL and MTNL.

107. During the year 2009-10, Rs. 61 crore was provided at BE stage for the scheme which was reduced to Rs. 52 crore at RE stage. However, the utilization was nil. A sum of Rs. 161.84 crore was provided for the project at BE stage for the year 2010-11. However, the BE was reduced to 0.00 at RE stage as the project was not launched. For the year 2011-12, a total sum of Rs. 0.01 crore has been provided for the project in BE in 2011-12.

108. The Committee in their Eighth Report have recommended that the project should be approved expeditiously so that the Outlay provided are effectively utilized. In their action taken to Eighth Report, the Department has informed the Committee that M/s Millennium Telecom Limited Board appointed a Committee for rechecking the financial viability of the project. The Department also apprised the findings of the aforesaid Committee as under:

> "Keeping in view the high cost of the project, it may not be possible to invest such a huge amount by the BSNL and MTNL alone. Hence, the possibility of forming a consortium with the telecom operators of other countries where MTL is proposing to have its landing stations may be explored. The Board authorized the Steering Committee to have dialogue with prospective consortium partners."

109. Regarding the latest status of the scheme, the Department has apprised the Committee as under:-

> "Planning Commission had constituted a Technical Committee to consider various options for providing a reliable and secure telecommunication connectivity to Andaman & Nicobar Islands and make appropriate recommendations after examining the existing bandwidth capacity vis-à-vis the projected demand for the bandwidth. The Technical Committee, in consultation with A&NI Administration has, inter-alia, recommended that six Islands viz Port Blair, Little Andaman, Havelock, Car Nicobar, Kamorta and Great Nicobar should be connected to mainland by submarine optical fibre cable (OFC) through a branching cable from the existing submarine cables. Accordingly, Planning Commission has requested Andaman & Nicobar Islands (ANI) Administration to take immediate necessary steps in accordance with the extant rules and guidelines for implementing the recommendations of the Committee for providing submarine optical fibre cable connectivity to the Andaman & Nicobar Islands. In order to ensure complete ownership of the project, Planning Commission has decided that it may be implemented by the A&NI Administration either directly or through the Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO) as considered appropriate. Planning Commission has also intimated that the Annual Plan discussions for 2011-12 are yet to take place, appropriate allocation for the submarine OFC project will be made out of the total allocation for A&NI."

110. When enquired about the preparedness of the Department to face a situation of total blackout that may be due to natural disaster like Tsunami in Japan or military attacks, the Department has stated that at present, various Islands of Andaman Nicobar Group of Islands are connected to main land through Satellite Communications Media. The Department also added that Planning Commission is further exploring the possibility of providing reliable communication link to Andaman Nicobar Islands through a spur route from the existing submarine cables of Indian Telecom Service Providers passing through that area. However, the Department added that any decision in this regard by Planning Commission is not yet received.

Undersea Cabling to Lakshadweep

111. When asked whether the matter with regard to laying of Undersea Cable to Lakshadweep has been taken up with the Planning Commission, the Department has stated that there is a proposal for laying of submarine cable of 955 kms. for which the project estimate for connectivity of Ernakulam with various islands of Lakshadweep

including Kavaratti with an estimated cost of Rs. 435.69 crores. Apart from this, USOF has taken up the proposal with BSNL for upgrading the satellite media to all Islands of Lakshadweep to 34 Mb capacity. BSNL has submitted the requirement of Rs. 33 Crore and Rs.41 Crore for CAPEX & OPEX respectively. USOF is also evaluating various options for augmenting bandwidth to various islands of Lakshadweep and a decision in this regard will be taken shortly.

XV. Centre for Development of Telematics (C-DoT)

112. The C-DoT is the telecom research and development centre of the Government of India under the administrative control of Department of Telecommunications. C-DoT develops total telecom solutions, technologies and applications for the fixed-line, mobile and packet-based converged networks and services. C-DoT has also developed technologies which are intensively based on Software and are useful to the service providers for provisioning of services, as also for operations and management of networks and services. C-DoT technologies have a significant present in the Indian telecom network directly as well as through its licensees. C-DoT's recent focus has been on development and deployment of Next Generation Networks, cost-effective rural wireless solutions, software based systems, optical and satellite transport and access technologies and solutions required for strategic sectors.

113. An Outlay of Rs. 309 crore (IEBR + GBS) was provided for C-DoT at BE stage for the year 2010-11 which was reduced to Rs. 182.80 crore in RE 2010-11. As on February, 2011, Rs. 55.17 crore has been utilized i.e. only 30.18 per cent. For the year 2011-12, the allocation at BE stage is Rs. 262.64 crore.

XVI. Import of Telecom Equipments and Security Concerns

SIM Card and National Security Risk

114. The Department has stated that the security issues raised by Ministry of Home Affairs related to import of SIM Cards are being analysed and information in this regard has been sought from the Telecom Service Providers. The Department also added that steps to get the information on the personalization capabilities of Indian manufacturers are being initiated.

115. As far as the steps taken by the Department of Telecommunications to address the issue *suo-motu* before it was brought up by the Ministry of Home Affairs, the Department has stated as under:-

> "Before the security issues related to SIM Cards were brought to the notice of Department no security threat due to SIM Card in itself had been noticed by Department. Neither any incident has been noticed by the Department which could have happened due to security features of SIM Card. Therefore, the Department did not initiate any action in this direction. Moreover, the level of security threat has yet not been assessed. The same is still being analysed based on the technical details."

Security concerns with regard to import of telecom equipments

116. In the background that SIM cards and other imported telecom equipments pose a security threat to the Nation, the Committee enquired about the plans of the Department to ensure that telecom equipments are manufactured locally/indigenously. In response, the Department stated that the Government of India is making efforts to promote indigenous production of telecom equipments, however, import of telecom equipments cannot be ruled out. Therefore, the security threats arising out of imported telecom equipments are also being analysed alongwith the approach to deal with them.

117. When asked about the percentage share of local manufacturers vis-a-vis imported equipments in telecom sector, the Department has stated as under:

> "The indigenous production and import of telecom equipment during each of the last three year and current year as under:

(Rs. in crore)

S. No.	Year	Indigenous Production	Import
1.	2007-08	41270	36256
2.	2008-09	48800	46809
3.	2009-10	51000	42444
4.	2010-11	53275(estimate)	23167 (April-October, 2011) provisional
	Total	194345	148676"

XVII. Issues related to Blackberry

118. The Committee had been informed that the Research in Motion (RIM) through its Blackberry Services offers Voice, SMS, Blackberry Internet Services (BIS), Blackberry Messenger (BBM) and Blackberry Enterprise Solution (BES) services. The Security Agencies want interception of these services in readable format and as per them the interception of Voice, SMS and BIS service is possible in readable format. However, they are not able to the intercept the BBM and BES services in readable format, through encrypted message is made available to them by the service providers. The deadline have been extended time and again from 31st August to 31st October, 2010 and then to 31st January to 31st March, 2011.

119. In the light of security agencies expressing serious concern over the encrypted data of Blackberry, the Committee desired to know about the various initiatives taken by the Department to provide a solution for the security/law enforcement agencies to decrypt the communication data of BlackBerry by extended date of 31 March, 2011. In reply, the Department has stated that after a number of discussions with RIM, it has created some infrastructure in India for interception of Blackberry Messenger (BBM) service in readable format, but the Ministry of Home Affairs is not satisfied with the solution offered. The Department also stated that a Committee to look into all types of known encrypted communication has been constituted so that the issue can be dealt

comprehensively. The Department added that the said Committee is likely to submit its report at the earliest and thereafter, the decision to deal with various encrypted communication, including BlackBerry Messenger (BBM) and BlackBerry Enterprise Service (BES), would be taken in consultation with Ministry of Home Affairs (MHA), and if necessary, with some other Ministries/Departments.

120. Elaborating on the issue, the department also informed the Committee that as regards the solution of the BES is concerned, RIM has stated that there is end-to-end encryption of the communication and they don't have a key to the encrypted communication which they can share with security agencies. However, message in readable format is available at the server of the enterprise availing BES service, from where it can be taken by security agencies.

121. The Department further stated that various aspects like international relations, commercial issue, implication on other industries, legal and regulatory issues, encryption policy issue, practicability, etc need to be considered before arriving at final decision for various encrypted communication services, which at present can't be intercepted in readable format by security agencies.

122. When asked about the expected dated for the submission of Report by the aforesaid Committee, the Department stated that report is expected by 20th April 2011.

123. Regarding the problem of highly encrypted data, the representative of Department of Telecommunications, during the course of evidence stated as under:-

> "When the message is in transition, the security agencies can intercept it but they cannot read it because it is highly encrypted and it is a high level of encryption. We have consulted experts. As per most of the experts in this area, the dynamic encryption is almost unbreakable. So, there is no solution to that. The only solution is, we can ban it. Banning is perceived to be a retrograde step because it is not only Blackberry which uses this kind of service but all kinds of enterprise communications also use it."

XVIII. Mobile Number Portability and Security concerns

124. When enquired about the steps taken by the Department to overcome the problem of the possible software glitches and security risks by the users after availing the Mobile Number Portability, the Department has stated that a close watch on the matter is being kept by Telecom Enforcement Resource and Monitoring (TERM) Cells and based on the feedback received from Telecom Service Providers (TSPs)/subscribers, the TSPs have been asked to resolve the issues. In addition, Telecom Regulatory Authority of India (TRAI) has also sought compliance of various provisions of "The Telecommunications Mobile Number Portability Regulations 2009 as amended" from the Telecommunication Service Providers (TSPs).

XIX. Telecom Regulatory Authority of India

125. The Committee have been informed that the mission of TRAI is to ensure that interests of consumers are protected and at the same time to nurture conditions for growth of telecommunications, broadcasting and cable services in a manner and at a pace which will enable India to play a leading role in the emerging global information society. For the year 2010-11, an Outlay of Rs. 11 crore was provided at BE stage which was enhanced to Rs. 13 crore at RE stage. As on February, 2011, TRAI has utilized the total Outlay provided for 2010-11. An Outlay of Rs. 12 crore has been provided for the year 2011-12 at BE stage.

Pesky calls

126. With regard to the steps taken by the Department/TRAI to address the issue of pesky calls particularly for technical and up-gradation of network to filter the unwanted telemarketing calls, the Department has stated that various provisions have been made to prevent unwanted calls/SMS under 'The Telecom Commercial Communications Customer Preference Regulations, 2010' and the readiness of service providers for implementations of regulations was reviewed on 21st February, 2011. Most of the service providers, except BSNL and MTNL, were ready to implement the regulations.

127. Regarding the non-readiness of the BSNL and MTNL to implement the regulations made for pesky calls as per 'The Telecom Commercial Communications Customer Preference Regulations, 2010', the Department has stated as under:-

> "The filtering facility in BSNL network, as required under regulations 20(2)(h) and 20(2)(i) is not technically feasible at this stage. Apart from being an activity of huge avoidable capital burden and totally un-warranted from BSNL, who has no role in making the unsolicited commercial communications, BSNL will have to follow the due process of tendering, as laid down by the Government of India, for the procurement of necessary hardware/software for making it feasible to have the filtering facility in its network, as required under regulations 20(2)(h) and 20(2)(i).
> ……..MTNL is having similar constraints/problems in implementing the regulations made for pesky calls as per TRAI Regulations 2010. MTNL also requires about one year time for arranging the filtering facility in their network. All other problems similar to BSNL are also encountered by them except the fact that C-DoT exchanges are not deployed in MTNL network. Regarding numbering plan for telemarketers for originating calls from Fixed Line Networks, a meeting was held with service providers on 13th April, 2011 in DoT and it was found that the requirement of TRAI Regulation regarding numbering series cannot be met within the standard national numbering plan of DoT. Private service providers also expressed their difficulties in meeting the requirements of TRAI Regulations 2010. They also mentioned that this type of arrangement has not been provided anywhere in the world. Therefore, the solution proposed to be implemented by private operators are non-standard and there is no guarantee of their proper functioning when they are actually put to use. They have also indicated that there are still un-resolved issues with regard to inter-operator billing and settlement as well as routing/handover of calls if non-standard numbering plan is implemented as required by TRAI Regulations."

XX. Bharat Sanchar Nigam Limited

Statement showing proposed allocation, BE, RE and actual expenditure

(Rs. in crore)

Unit/Sector	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	22881	18591	14015	14891	15277.63
Budget Estimates	22881	18591	14015	14891	15277.63
Revised Estimates	14065	17891	14015	10151.74	--
Actuals	7239.43	10876	12681.38	5913 (as on February, 2011)	--
Percentage of utilization w.r.t. Revised Estimates	51.47 %	60.79 %	90.48 %	58.25 %	--

128. With regard to BSNL's financial performance during 2007-08, 2008-09, 2009-10 and 2010-11 (as on 28th February, 2011), the Department submitted the following information:

	2007-08	**2008-09**	**2009-10**	**2010-11***
Total Income	38053	35812	32045	25750
Total Expenditure	33636	34354	34078	30970
Net Profit	3009	575	-1823	-5220

* Provisional unaudited as on 28-2-2011

129. As per the Department, the major contributors of loss of BSNL are (i) huge legacy work force with average age of 49 years along with huge manpower cost (42% of the Revenue), (ii) Inheritance of legacy of wireline system, (iii) economically unviable rural operations as social obligation, (iv) outgo of Rs 18,501 crore as payment towards 3G and BWA spectrum charges, (v) withdrawal of subsidies, compensation, (vi) maintenance of legacy telegraph system, (vii) too bureaucratic and procedure driven, (viii) lack of use of latest proper IT systems for automation of processes, decision making and MIS, (ix) cumbersome procurement procedures and system and (x) poor sales & marketing and customer care.

130. When asked to furnish the BSNL's target of revenue/loss for the year 2011-12, the Department submitted as under:-

(Rs. in crore)

Gross Sales	37000
Gross Margin	10,670
Net Profit	(-) 2380

Outstanding Arrears

131. The Committee have been informed that the outstanding arrears of the PSU as on 31st January, 2011 is Rs. 587.95 crore and the written off amount during the period April, 2010 to January, 2011 is Rs. 10.95 crore.

Surrender of Telephones

132. When asked to furnish a statement showing circle-wise surrender of BSNL phones during the years 2007-08, 2008-09, 2009-10 and 2010-11 upto 31st January, 2011, the Department has stated that the net achievement for wireline has been negative i.e. the disconnection has always been more than gross connection. During 2007-08, it was -2186308 and in 2008-09, it was -2205865. For the year 2009-10, the net achievements was -1515871 and for the year 2010-11 upto January, 2011, the net achievement is -2353240. The same trend was seen for the WLL phone. As on January, 2011, the net achievement was -762920.

Impact of Mobile Number Portability

133. When enquired about the latest status of porting in to BSNL and porting out of subscriber to other operators after the implementation of Mobile Number Portability, the Department has stated that as on 23 March 2011, a total of 5,00,123 subscribers have ported-out of BSNL and 1,83,961 subscribers has ported-in into BSNL GSM Network.

134. Major reasons that have been identified by BSNL for porting out from BSNL services are (i) non-augmentation of network coverage, (ii) quality of service including gap between actual & perception, (iii) better offerings to retailers by private operators, (iv) aggressive marketing efforts by competitors and (v) perception among subscribers about high Tariff

135. With regard to the remedial measures that are being taken by BSNL to overcome the problem of porting out enumerated by the Department include (i) procurement of equipments for network expansion, (ii) obtaining of feedback from subscribers regarding network problems & other reasons through Call Center for focused corrective action, (iii) benchmarking of Radio Network in various capital cities of the States to know factual condition, (iv) focus on Quality of Service, Customer Care and Awareness among Sales channel, (v) close interaction & meetings with Sales channel/ Retailers for synchronization of BSNL products/ features with competitive price, easy reach & availability, (vi) offerings to franchisees & retailers are being improved to match with that competitors, (vii) press conference with local TV coverage are being held in major cities & towns, (viii) landline subscribers being contacted to take BSNL Friend & Family scheme mobile number & port-in from other operators, (ix) transparency in billing, wide coverage, access to BSNL officials etc., and (x) close watch is being kept on tariff being offered by Private Operators & required correction is being effected as & when warranted.

BSNL and NeGP

136. Regarding the steps taken by BSNL to ensure that there is proper coordination with other Departments to ensure that all the e-Governance Programmes under the NeGP are implemented effectively, the Department has stated that BSNL in collaboration with DIT is making approximately 100,000 rural Common Services Centers (CSCs) as broadband enabled. As on 28th February, 2011, BSNL has covered 43548 CSCs through broadband by various technologies i.e. ADSL2+, 3G, EVDO and VSAT. BSNL has also planned to make 55493 CSCs broadband enabled. All the State CSCs are maintained by the SCA (State Centre Agency)/VLEs (Village Level Entrepreneur). The role of BSNL is only to provide broadband connections to the CSCs on the request of SCA/VLEs.

XXI. Mahanagar Telephone Nigam Limited (MTNL)

Statement showing proposed allocation, BE, RE and actual expenditure of MTNL

(Rs. in crore)

Unit/Sector	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	2309.00	2430.97	1725.02	1204.10	1145.46
Budget Estimates	2309.00	2430.97	1725.02	1204.10	1145.46
Revised Estimates	1692.33	1304.28	1352.00	1281.84	--
Actuals	932.46	789.40	1194.70	523.04 (Upto February, 2011)	--
Percentage of utilization Revised Estimates	55.10 %	60.52 %	88.37 %	40.80 %	--

137. The profit earned/loss by MTNL during the last four years of Eleventh Plan are as under:

(Rs in crore)

Year	Profit for the year
2007-08	586.89
2008-09	211.72
2009-10	(2610.97)**
2010-11	(1727.38)** Upto 31.12.2010
2011-12*	(1140.11)

*MoU (2011-12) Target.

**The main reasons for loss is increase in wages and relevant benefits due to increase provisions. However, revenue from operations increased till third quarter of the current year vis-à-vis previous year MTNL plans an EBIDTA margin of Rs. 900 crore in 2011-12.

Outstanding Arrears

138. Outstanding dues of MTNL in respect of Basic, GSM and CDMA as on 28th February, 2011 are as under:

(Rs. in crore)

Outstanding details of MTNL in r/o Basic, GSM and CDMA as on 28th Feb'2011				
Unit	**Basic**	**GSM**	**CDMA**	**Total**
Delhi	577.27	100.17	77.53	754.97
Mumbai	295.74	78.24	22.94	396.92
Total	873.01	178.40	100.47	1151.89

Surrender of Telephones

139. The gross & net connections provided in Delhi & Mumbai during the last four years is as under:

Year	Delhi			Mumbai		
	Gross	Disconnection	Net	Gross	Disconnection	Net
2007-08	1,48,966	1,44,592	4,374	2,66,752	2,65,555	1,197
2008-09	1,34,299	1,80,292	-45,993	1,85,780	2,51,898	-66,118
2009-10	1,08,726	97,980	10,746	1,28,080	2,10,686	-82,606
2010-11 (Till Feb 2011)	89,559	84,077	5,482	1,11,470	1,63,233	-51,763

Impact of Mobile Number Portability

140. When asked about the latest status of porting in to MTNL and porting out of subscriber to other operators after the implementation of Mobile Number Portability, the Department has stated that as on 31 March 2011, a total of 34698 subscribers have ported-out of MTNL and 7718 subscribers has ported-in into MTNL GSM Network.

XXII. Indian Telephone Industry (ITI) Limited

141. As per the information furnished by the Department for the Eleventh Plan, the Planning Commission made a total allocation of Rs. 105.87 crore to ITI as against the proposal of Rs. 350 crore. However, the amount sanctioned by the Planning Commission till date is only Rs. 2.01 crore for the entire Eleventh Plan.

142. The Committee have been informed that the strength of ITI lies in the strategic area of communications for Defence and the same has been epitomized by the prestigious ASCON project. ITI has implemented ASCON Network for Indian Army on turnkey basis successfully. The projects implemented are ASCON-Phase I (Rs. 100 core), ASCON-Phase II (Rs.16 crore), ASCON-Phase III (Rs. 372 crore) and ASCON-Phase III expansion (Rs. 112 crore). The scope of work consists of civil work i.e. construction of buildings, towers, roads fencing etc., supply and installation of tower equipments, State-of-the Art Communication equipment like ATM/ISDN switches, Satellite

equipments (PAMA/DAMA), Software Control Microwave Radio, Encryption systems, Network Management System and integration of all these systems in the network & with legacy network. ITI has also executed Satellite projects such as Carnation for Army, Earth stations for Airforce and Civilcon for Ministry of Home Affairs.

143. Regarding the steps taken to make ITI a vibrant institution, the Department has stated that it has taken several steps in the past 15 years for transforming ITI from a sick company to a vibrant Institution. A few of those (recent grants and revival plans) include the following:

- Revival Plan 2009 was recommended by DoT and a sum of Rs.2820 crore was provided to M/s ITI Ltd. for discharging its liabilities to clean up its balance sheet as per the revival package approved by CCEA. As a result, ITI has been able to discharge most of its liabilities. These funds were released in August 2009 by Government of India.
- The policy of Reservation Quota of 30 per cent of the BSNL/MTNL purchases of the Telecom equipments from ITI has been further extended for a period of 2 years.
- An amount of Rs.180 crore towards the working capital was released very recently (March 2011) for M/s ITI Ltd.

144. The Department also added that it has advised M/s ITI Ltd. to chalk out some concrete strategic plan for its revival, based on a thorough review of its working, operation, establishment, market strategy and thus try to establish some long term goals through value proposition by designing a road map and strive to bring out some unique value which it could present to its prospective customers in the future. Further this revival plan should be based on technology mapping and benchmarking keeping in view the current market scenario.

XXIII. Telecom Expansion in the North-East Sector

145. When asked about the status of utilisation of the Outlay provided for the North East in the last four years of the Eleventh Plan vis-à-vis the Outlay provided, the Department has stated the total Outlay in the last four years of Eleventh Plan is Rs. 2255.43 crore whereas the utilisation as on 31st January, 2011 is Rs. 1396.39 crore i.e. only 61.19 per cent.

146. Regarding the status of utilisation of Outlay earmarked for the North East Region during the year 2010-11, the Department has stated that the approved outlay for the year 2010-11 for the North East areas was Rs. 384.20 crore and out of this Rs. 198.23 crore have been utilized upto January 2011.

Status of Inhabited Villages as per Census 2001 Covered with VPT facility:

(As on 28.02.2011)

S. No.	State	Total no. of villages	No. of villages covered with VPTs
1	Assam	25124	24133
2	Meghalaya	5782	4377
3	Mizoram	707	704
4	Tripura	858	858

5	Arunachal Pradesh	3863	2575
6	Manipur	2315	2142
7	Nagaland	1278	1263
8	Sikkim	450	429
	Total	**40377**	**36481**

147. Regarding the reasons for under achievement of physical targets during the year 2010-11, the Department has informed that it is due to (i) low demand of landline broadband connections in rural areas, (ii) slow growth of IT enabled services due to lack of consumer awareness, (iii) high cost of personnel computers and (iv) the accessibility in North East region is difficult due to hilly terrain, law and order problems, climate etc.

148. In the background that telecom expansion in North-East sector has been below par when compared to National average, the Committee enquired about the steps taken to improve the telecom expansion in these areas, the Department has stated that some of the initiatives taken to expand telecom services in the area include (i) Installation of more number of BTSs to expand mobile services reach and coverage in the area, (ii) Providing OFC connectivity with 2.5 G rings to cover all DHQ / SDHQ and en-route towns of Assam, NE-1 and NE-2. USO Fund has awarded laying of OFC in Assam to BSNL and (iii) Expanding Broadband services in the area using high speed ADSL2+ technology.

XXIV. Emerging issue

e-waste – generated through mobile phones

149. With regard to e-waste generated through mobile phones, the Department has informed the Committee that Ministry of Environment and Forests (MoEF) through Central Pollution Control Board and State Pollution Control Boards, are engaged in collection of data on e-waste generation in the Country. Ministry of Environment and Forests has apprised that a survey had been carried out by the Central Pollution Control Board (CPCB) during 2005. It was estimated that 1.347 lakh MT of e-waste was generated in the Country in the year 2005, which is expected to increase to about 8.0 lakh MT by 2012. However, the Ministry of Environment and Forests felt that there is need for regular updation of data on e-waste generation. The Department also added that the State Pollution Control Boards have initiated the exercise to collect data on e-waste generation. During 2007, an inventory on e-waste, arising out of three products: computers, mobile phones, televisions had been carried out. The total quantities of generated e-waste in India, during 2007, was 3, 32, 979 Metric Tonnes (MT) (Computer: 56324MT, Mobile Phones: 1655MT, and Televisions: 275000MT)

The Department also informed that the DIT is involved in promoting Research and Development to develop technological solutions for e-waste management in environmental friendly manner. The focus is on recycling technology of all kinds of e-waste including mobile phones leading to minimum landfill and zero emission to air,

land and water. A number of Research and Development projects have been initiated at the various National Institutions in India. Some such projects are development of processing technology for recycling and reuse of electronic waste, environmentally sound methods for recovery of metals from PCBs and novel recovery and conversion of Plastics from Waste Electrical and Electronic Equipment (WEEE) to value added products. The Department also informed that the project at National Metallurgical Laboratory, Jamshedpur has reached a stage where on a pilot scale upto 1 Metric Tonne of e-waste has been successfully recycled which also include e-waste out of mobile phones and is now being attempted to take it to possible commercial application.

PART-II

RECOMMENDATIONS/OBSERVATIONS

DoT Budget

Under Utilization of allocations made under IEBR and GBS

1. The Committee note that the Budget Estimate allocations that include both Internal and External Budgetary Resources (IEBR) and Gross Budgetary Support (GBS) are for Rs. 19881.09 crore during the year 2011-12 against the allocation of Rs. 18135.10 crore during the previous year. So far as the trend of utilization of outlay earmarked at BE stage is concerned, it has been observed that the allocations earmarked at BE stage are being reduced at RE stage and the actual utilization is far lesser than the allocations made at RE stage. The Committee have consistently been expressing concern over the aforesaid trend and exhorting the Department to take corrective action. In spite of that the status of utilization of funds during the year 2010-11 has further worsened. The allocations made for Rs. 18135.10 crore at BE stage were drastically reduced to just Rs. 11860.84 crore at RE stage. Not only that the utilization as on February 2011 is just Rs. 6507.60 crore i.e. 54.87 per cent of the allocations made at RE stage. In case the utilization status is compared to the allocations made at BE stage, it just comes to 35.88 per cent.

If the financial performance of the Department during the Eleventh Plan as a whole is taken into consideration, the proposed allocations for the five years both for IEBR and GBS are for Rs. 103526.96 crore. During the first four years of the Eleventh Plan, the Department could utilize just Rs. 41676.36 crore which is little more than 40 per cent of the allocations. In spite of the continuous pursuance of the issue, the Department does not seem to have bothered to undertake detailed analysis of the reasons for under utilization of the scarce resources. The reply of the Department that the projects do not come up or get delayed sometimes due to reasons beyond control further substantiates the aforesaid observation of the Committee. The detailed analysis of the various Plan schemes and the performance of two Public Sector Undertakings viz. MTNL and BSNL has been done in the subsequent paras of the Report. Here the Committee express serious concern over the trend of under utilization of resources. Moreover, it seems the Department has not taken the observation of the Committee seriously. The Committee again exhort the Department to analyze the implementation of various Plan schemes so as to ensure that the budgetary resources provided for various schemes are effectively utilized and the schemes are implemented in a proper way. The Committee strongly emphasize to undertake the review of the various schemes of the Department so as to understand the bottlenecks in

implementation of various schemes. The desired corrective action may accordingly be taken and the Committee informed accordingly.

Financial Achievement of the Department with regard to Gross Budgetary Support

2. The performance of the Department so far as financial achievement of the allocations made under the Gross Budgetary Support (GBS) segment is taken into consideration, the position is further worse. During the year 2010-11, the allocations of Rs. 2000 crore at BE stage were pruned down to Rs. 397.26 crore at RE stage. The utilization is just Rs. 60.10 crore as on February 2011 which is 15.13 per cent of the allocations made at RE stage. If the percentage of actuals is compared to BE stage, the achievement is just negligible i.e. 3 per cent. The detailed analysis of the documents given by the Department further indicates that the drastic cut at RE stage is due to non-execution of the Undersea Cabling between Mainland and Andaman & Nicobar Islands, delay in commencement of the Optical Fibre Connectivity Based Network for Defence Services, non-receipt of approval of the project 'Communications and Security Research and Monitoring' and delay in sanctioning of project for Telecom Engineering Centre (TEC). The Committee understand that all these Plan schemes are very crucial schemes and have been envisaged to meet the strategic requirement of the country. The non-execution, delay in implementation of these schemes is not understandable to the Committee. The Committee deplore the way the important schemes are being envisaged by the Department and the Committee strongly recommend that the allocations made at BE stage should be demanded by the Department after carefully analyzing the approval and execution stage of various schemes. Moreover, since the aforesaid schemes are very important, the Department should see that there is no further delay and the schemes are implemented expeditiously.

Universal Service Obligation Fund

3. The Committee observe that budgetary support is provided for executing the Universal Service Support Policy (USSP) through the Universal Service Obligation Fund (USOF) for bringing rural telecom connectivity. The resources for meeting the same are generated through a Universal Service Levy (USL) which is 5 per cent of the Adjusted Gross Revenue (AGR) earned by all the telecom operators except pure value added service providers like internet service provider, voice mail etc. The Committee in their Eighth Report on Demands for Grants of the previous year had expressed concern with regard to the position of not allocating resources commensurate with the collection even when the allocations are being fully utilized. Inspite of that the trend has continued. As per the data furnished by the Department, the USL collections upto February, 2011

are for Rs. 35700.83 crore, whereas the final allotment and disbursal is only Rs. 13113.98 crore i.e. in terms of percentage it is only 36.73 per cent. If the relation of USL collection and allotment is analyzed year-wise, said gaps are seen every year. During the year, 2007-08, the USL collection was for Rs. 5405.80 crore, against this the allocation made was only Rs. 1290 crore. For the year 2008-09, the collection made was Rs. 5515.14 crore, however, the allocation made was only Rs. 1600 crore. During the year 2009-10, the total collection made was Rs. 5778 crore, whereas, the allocation made was only Rs. 2400 crore. For the year 2010-11, the allocation made was Rs. 3100 crore whereas the total collection upto February, 2011 was Rs. 4591.47 crore. For the year 2011-12, the allocation is only Rs. 2100 which is Rs. 1000 crore less when compared to the allocation made during previous year. The Committee conclude from the aforesaid scenario that the concerns of the Committee have not been seriously addressed by the Department. While deploring the situation, the Committee once again emphasize that the Department should take up the matter seriously with the Ministry of Finance so that the quantum of allocation for the USO activities commensurate to the collection made especially when there is a lot left to be done to increase the rural telephony in country and the Department has projected a target of having 40 per cent teledensity by 2014 from the present 32.19 per cent.

Thrust Areas of the Department

Network Expansion

4. One of the thrust areas of the Department is the network expansion. In this regard, the Committee note that during February, 2010, the Department had already achieved the target of 600 million connections which was set by the Department to be achieved by 2012. As on January, 2011, 806.13 million connections have been provided, the break up being 95 per cent wireless connections and 5 per cent wireline connections. However, what is more disturbing to the Committee is the fact that the share of Public Sector both under wireline and wireless is continuously declining over the years whereas the growth of the Private Sector under both the schemes is phenomenal. The data furnished by the Department reveal that the growth of the Private Sector under the wireline segment is continuously increasing. Its share was 2.43 per cent as on 31 March, 2006 which has increased to 17.17 per cent as on 31 January, 2011. Contrary to this, the Public Sector which had edge over the Private Sector in terms of the wireline telephone connections is losing its share to Private Sector. Its share was 97.57 per cent as on 31 March, 2006 which declined to 82. 83 per cent as on 31 January, 2011. Similar is the case with the wireless telephone connections. The Public Sector could not improve its position. Its share was

21.39 per cent as on 31 March, 2006 which declined to just 12.22 per cent as on 31 January, 2011. Private Sector has positive growth during this period. Its share was 78.16 per cent as on 31 March, 2006 which increased to 87.78 per cent as on 31 January, 2011.

The aforesaid scenario clearly indicates that the Public Sector Undertakings viz. MTNL and BSNL are poorly performing and have reached at a critical stage. More disturbing is the fact that both the Public Sector Undertakings are not able to leverage the backing of the Government. The Undertakings failed to lure the customers even if the Government allocated 3G spectrum to them much before the auction was held and 3G spectrum allocated to the other Private Sector Service Providers. This is a serious situation and there is an urgent need to review the performance of both the Undertakings by the Government. The Committee deplore the alarming situation and strongly recommend to the Government to undertake a detailed review so that the corrective action is taken.

Rural Telephony

5. The Committee find that rural teledensity as on 31st March, 2010 was 24.31 per cent which has grown to 32.19 per cent as on January, 2011. During the corresponding period, the urban teledensity has shown a tremendous growth. It grew from 119.45 per cent to 150.20 per cent. What is disheartening to the Committee is the fact that in the last five years rural teledensity has not shown the kind of growth which has been witnessed in the urban areas. In the last five years the urban teledensity has shown a positive growth of 120.64 per cent which is almost four times that of the growth of rural teledensity. The Committee find this highly disturbing. Taking into account that in line with NTP, 99, the Universal Service Support Policy came into effect from 1st April, 2002 with the mandate to improve rural telephony. However, in spite of the rigorous work done in the last 9 years with the help of USOF, rural telephony has not shown the kind of growth which is expected. The Committee understand that the telecom connectivity has played an important role in the overall economic growth of the country. To achieve the inclusive growth there is an urgent need to give more attention to rural areas. As such the initiative being taken by the Department and BSNL should further be geared up so as to fill up the gap between urban and rural teledensity. The Committee would also like the Department to explore the possibility of introducing various new services to capture the rural market and steps be taken to make a significant inroads for 3G and BWA services in these areas.

Rural Telephony under USOF Schemes under Newly Identified VPTs as per 2001 Census

6. The Committee observe that under the Newly Identified VPTs Scheme, 45783 VPTs out of the stipulated target of 62443 VPTs have been installed as on December, 2010. In terms of percentage, the achievement made so far is 73.71 per cent. As per the initial plan, 90 per cent of VPTs were to be covered by August, 2010 and the remaining 10 per cent by February, 2011. The Committee have now been informed that the deadline for completion of the Scheme has been extended upto February, 2012. The reasons for not achieving the target as per schedule have been attributed to villages being located in extreme remote areas, tough terrain, naxalite/insurgency affected areas. The Committee feel that although a breakthrough to implement the scheme in these areas is a challenging task for BSNL, nevertheless, steps should be taken to ensure the installation of the remaining VPTs by the extended deadline of February, 2012.

Social Audit for the Telecom Facilities provided with Government Funding

7. The Committee note that various Panchayats are being consulted through the Ministry of Rural Development to involve them in the process of social audit for the telecom facilities provided with the Government funding. Further, instructions have been issued to all field units i.e. Comptroller of Communications Accounts (CCAs) to interact with State/Local Bodies to obtain the feedback with regard to the functioning of the Village Public Telephones & Rural Community Phones that have been installed by BSNL. Further, agreement has been signed by USOF Administrators with Indian Institute of Management Ahmedabad (IIMA) for impact assessment of the service provided by BSNL to obtain feedback from beneficiaries and Gram Panchayats. While appreciating the steps taken by the Department, the Committee impress that feedback received by the CCAs should be analysed and the desired concrete action be taken. The Committee should also be kept apprised about the follow up action taken in this regard.

Having Telephone connection as one of the criteria to debar a person from BPL list

8. The Committee in 8th Report on Demands for Grants 2010-11 had recommended that the issue regarding debarring a person from the BPL list on possessing a telephone connection should be taken up by the Department with the Ministry of Rural Development and the State Governments. When the issue was pursued further during the examination of Demands for Grants of the year 2011-12, the Ministry has taken up the matter with the Ministry of Rural Development. As per the status report given by the Ministry of Rural Development, the position is not very clear. As per the Ministry of Rural Development the existing criteria/methodology for

identification of BPL households i.e. criteria/methodology for BPL Census 2002 was adopted on the recommendation of an Expert Group. In this method, 13 socio-economic indicators reflecting the levels of living and quality of life of the rural population were used to identify the poor households. While elaborating on the 13 indicators, at one place these have been stated to be Land Holdings, Type of House, Availability of Clothing, Food Security, Sanitation, ownership of consumer durables viz. TV, Electric Fan, Kitchen appliances, Cooker, Radio etc., Literacy status if highest literate, Status of Household Labour, Means of livelihood, Status of Children, Type of indebtedness, Reasons for migration and Preference for Assistance. The telephone connection thus do not find direct mention in the list. However, at another place in the case of BPL Census 2002 conducted in the year 2004 in the State of Karnataka, it has clearly been mentioned that telephone connection is one of the parameters. The family having telephone connection along with other household equipments like Television, Radio, Fan, Refrigerator, 2/4 wheelers etc. were given 4 marks. In Karnataka, families who scored 14 & less than 14 points are considered BPL families.

The Committee observe that in case where a person having telephone connection as is evident from the practice in Karnataka is debarred from the BPL list, to achieve the desired level of teledensity in rural areas may be a big problem. The Committee find that this is a serious matter which could have got the attention of the Department *suo-moto*. The Committee deplore even when the issue was raised by the Committee in their said report, the Department did not bother to get the clear-cut position from the Ministry of Rural Development. While expressing unhappiness over the way the Department has dealt with the matter, the Committee strongly recommend to take up the matter with the Ministry of Rural Development, particularly when the methodology for the proposed forthcoming BPL 2011 Census is being finalized.

Shared Infrastructure Mobile Service Scheme

9. The aforesaid scheme was launched with the help of USOF with objective to provide subsidy support for setting up and managing 7871 number of infrastructure sites (towers) in 500 Districts across 27 States for provision of mobile services in the specified rural and remote areas where there is no existing fixed wireless or mobile coverage. The targets were further scaled down to 7363. The agreements effective from 1 June, 2007 were signed with the successful bidders in May, 2007. The roll out period which was initially one year, was further extended till December, 2009. Even when the extended period has already been over, 211 towers are yet to be set up. The physical targets of setting up of 265 towers during 2010-11 could not be fully met. The physical achievement was only 138 towers as on December, 2010.

As per the information furnished by the Department, the infrastructure so created is to be shared by three service providers for provision of mobile services. So far as the status of utilization of the infrastructure so created under the scheme is concerned, the data furnished by the Department indicates that out of the target of 22161 Base Transceiver Stations (BTSs) only 13866 i.e. 62.57 per cent of BTS could be commissioned by different service providers as on December, 2010. The Committee are surprised to note the replies of the Department as furnished on 18 March, 2011 whereby it has been stated that most of the towers under this scheme are likely to be commissioned in a phased manner by March, 2011. The Committee fail to understand how the Department would ensure the commissioning of most of the BTS within a few days. The Committee express serious concern over the way the scheme is being implemented. The Committee recommend that all out efforts should be made to ensure that all the targeted towers are set up and commissioned so that rural and remote areas could get the telecom connectivity.

Radiation from Mobile Towers

10. The Committee find that even when the issue of radiation from telecom towers is being debated in the country as well as internationally and the adverse affect of radiation from cellular phones and towers are being reported by various studies, the inter-Ministerial Committee has broadly relied on the studies according to which the direct link between exposure to radio frequency radiation from mobile towers and health could not confirm a cause-and-effect relationship between radiation radio frequency radiation and health. The Committee further note that the Ministry of Environment and Forests has constituted an Expert Group to study the possible impact of communication towers on birds and bees. The Committee would like to know about the results of the aforesaid study being undertaken by the Ministry of Environment and Forests. Besides, the Committee also emphasize that there is an urgent need to undertake more studies as well as to follow the studies being undertaken internationally so as to find out the impact of telecom towers on overall eco-system.

The Committee are surprised to note that out of 1770 BTS tested by Telecom Engineering and Resource Monitoring (TERM) Cells, no BTS was found non-compliant to the radiation norms set by International Commission for Non-Ionising Radiation Protection (ICNIRP). The Committee understand that testing of BTS by TERM Cells do not seem to reflect the ground position which may not be so satisfactory. The aforesaid observation of the Committee is further reinforced by the fact that as many as 59,000 BTS are yet to self-certify conforming to limits/levels as

prescribed by ICNIRP. Self-certificates in this regard are to be submitted by the telecom service providers to respective TERM Cells of DoT and penal provision for non-submission has been made. The Committee are unable to understand non-submission of self-certification for such a good number of BTS even when the penal provision has been made for non-submission. The Committee in this regard would like to be apprised of amount of penalty imposed on the service providers for non-submission of the certificates during the last five years. The Committee would also like to recommend that the mobile towers should be tested for complying to the specific radiation norms as set by ICNIRP by some independent agency so as to know the real picture in this regard.

Illegal Operation of Telecom Networks

11. The Committee are concerned to note that the illegal telecom networks are mushrooming in the country. As per the cases reported so far 500 clandestine/illegal setups are operating in various parts of the country. The actual position in this regard may even be worse. After analyzing the State-wise position with regard to illegal operation of telecom networks in the country, the Committee observe that such cases have been reported in 16 States. The position is worse in Andhra Pradesh (120) followed by Tamil Nadu (100), Delhi (61), Maharashtra (54), Karnataka (31) where the number of illegal operations is very high. The Committee express serious concern over such a high number of illegal telecom networks in the country. These illegal networks cause a great loss to the Government because they need not pay the licence fee. Not only that they are security threat to the country. The Committee understand that the illegal operations are busted by TERM Cells. The raids are conducted along with the persons from Law Enforcement Agencies (LEAs) and the cases are handed over to LEAs simultaneously. The Committee are concerned to note that the Department has not maintained the data with regard to dates when these cases were referred to LEAs. The Committee strongly recommend to collect such information and apprise the Committee so as to understand the action taken against the illegal operators.

Use of Non-Conventional Energy

12. Power supply is the major constraint in expanding the telecom network in rural areas, particularly in the remote and difficult areas. The Committee have been recommending in their reports for the use of new and renewable energy sources for powering the mobile infrastructure sites. In this connection, Pilot Projects to establish the viability of powering of Shared Mobile

Infrastructure Sites in rural areas through solar/solar-wind Hybrid Installations with Subsidy support from Ministry of New and Renewable Energy and USOF towards solar/solar-wind hybrid power installations in 28 USOF shared mobile infrastructure sites has been initiated by the Department. As per the information furnished by the Department, the results obtained from these sites would help to establish technical feasibility and financial viability of utilization of renewable energy in shared mobile sites in rural areas. So far as the progress of the aforesaid project is concerned, the Committee find that Expression of Interest (EOI) was floated in June, 2009. A draft agreement to be signed with the GTL/BSNL/RCIL/KEC/BSEL/QTIL Infrastructure Providers (IPs) was prepared and vetted but the successful Infrastructure Providers (IPs) are yet to confirm their willingness to sign the agreement. The Committee find that there is some disagreement in the rates quoted by the bidders. According to the Department, the exorbitant rates have been quoted by the bidders vis-à-vis prevailing market rates as well as the benchmark rates given by the Ministry of New and Renewable Energy. Accordingly, it was felt necessary to incorporate a stipulation in the agreements, to the effect that the prevailing rates of Ministry of New and Renewable Energy would be compared with the representative rates and the lower of the two would be taken. The Department has also stated that none of the bidders is agreeable to incorporation of this stipulation in the agreement. The Committee hope that the Department would resolve the aforesaid issue and the pilot projects would be implemented with great success followed by nationwide programme in this regard. The Committee are of the firm opinion that finding ways to use the renewable energy sources for telecom infrastructure powering would be a great boost to expanding the telecom network in rural areas and would definitely result into meeting the targets of teledensity in rural areas.

Solar Mobile Charging Stations

13. The Committee note that under the TERI project of Lighting a Billion Lives (LaBL) financial support is being provided for solar mobile charging stations in 5,000 villages. As per the information furnished by the Department, an agreement to this effect has been signed on 29 April, 2010. As per the agreement, solar mobile charging stations in these 5,000 villages are to be provided in a phased manner over a period of two years. The Committee hope that the project would be implemented within the stipulated timeframe. The Committee feel that the model of TERI need to be replicated in other areas. Even in urban areas where mobile charging may not be a problem, the provision of solar mobile charging facilities would be a great effort in the direction of providing eco friendly green telecom in these areas. More and more thrust need to be given to

the use of renewable source of energy and providing solar charging stations is a step in the right direction. The Committee hope that the model would be replicated throughout the country.

Broadband Expansion

14. The Committee have consistently been recommending to the Department to take the desired initiatives to improve the broadband penetration in the country. There is not been much improvement in this connection in the country. As per the latest data furnished by the Department there are about 10.97 million broadband connections and the broadband penetration in the country is just 0.8 per cent. Broadband penetration is very poor if compared to the teledensity of just 67.67 per cent. As regard the geographical spread of broadband connection in the country, it has reached 4312 cities, 5865 Block Headquarters, 627 District Headquarters covering 1,69,201 villages. The performance is not upto the mark if compared to the target fixed in this regard. There are only 10.92 million broadband subscribers against the target of 20 million broadband subscribers as per the target set by the Broadband Policy, 2004. The Government has the plan to cover 2.5 lakh village Panchayats in the country with the broadband connectivity by 2012 from where broadband connection can be given to Secondary and Higher Secondary Schools and public health centres. As on 31 January, 2011, only 97548 villages could be covered. So far as the position of Secondary and Higher Secondary Schools and public health centres by broadband connectivity is concerned, the Department did not bother even to maintain the data.

The aforesaid status clearly indicates that there are big challenges before the Department to improve the broadband connectivity in the country. Various schemes to expand the broadband penetration in rural areas are being undertaken with the USO Fund. Under the scheme, wireline broadband connectivity in rural and remote areas, 28,000 exchanges with a capacity creation of 18 lakh connections are to be provided with a roll out period of 5 years i.e. by 2014. As on December, 2010, a total of 2,53,084 connections have been provided and 670 kiosks have been set up in rural and remote areas. Another scheme satellite broadband connectivity for rural and remote areas has been proposed to cover rural and remote villages where terrestrial connectivity is not feasible. USOF has identified about 5,000 such villages. As per the information furnished by the Department, BSNL has raised some technical issues which are under examination. The USOF is working on another scheme i.e. Rural Wireless Broadband Scheme. Under this scheme, the plan is to provide financial assistance by way of subsidy for the wireless broadband such as BTS, by utilizing the existing infrastructure available with the Telecom Service Providers. The Scheme propose to provide broadband coverage to about 5 lakh villages at

a speed of 512 kbps. While taking note of the various schemes being implemented/proposed to be implemented under USOF, the Committee strongly recommend that the proposed schemes should be launched expeditiously so as to improve the broadband penetration, particularly in rural areas.

GIS mapping to ascertain incremental OFC length

15. The Committee further note that TRAI in the Consultation Paper on National Broadband Plan has observed that considering the estimated broadband future requirement, there is a need for a urgent focus on creation of robust national infrastructure capable to cater to future requirements not only in urban areas but also upto villages. It has been stated in the Consultation Paper that an option being explored by taking optical fibre connectivity to villages. The Department in the reply has stated that the issue is under consideration for formulation of broadband connectivity to Panchayats. With regard to GIS mapping to ascertain incremental OFC length, the Committee have been informed that all existing GIS mapping may be done on a GIS platform within 2 months by USOF to get a better estimate of the required additional OFC and a Detailed Project Report (DPR) would be prepared which would include estimation of growth of broadband connections in rural areas for next 20 years. As regards the status of the scheme, the Committee note that NIC has mapped about 2,13,000 km of OFC length and over 10,000 OFC stations are on the GIS platform. While taking note of the existing position the Committee strongly emphasize to complete the GIS mapping expeditiously followed by launching of the scheme for National Optical Fibre Network for broadband connectivity of Panchayats.

USO Pilot Project for Optical Fibre Network

16. The Committee further note that USO Pilot Project for Optical Fibre Network Augmentation is being implemented in Assam, North-Eastern States and West Bengal Service Areas. The Committee understand that OFC laying depend on Right of Way (RoW) and permission from State Governments. In this connection, the Department has informed that they have taken the matter with all the State Governments and a letter has been written by the Secretary, DoT to Chief Secretaries of all the States on 3 October, 2010. The Committee find from the replies that Tripura has allowed free Right of Way subject to reinstatement charges. Andhra Pradesh Government is already providing similar Right of Way. Haryana Government has acknowledge the letter. The feedback from other State Governments is still awaited. While taking note of the initiatives taken by the Department, the Committee emphasize to pursue further with remaining State Governments on the issue of Right of Way so that the project of

Augmentation Creation and Management of Optical Fibre Network Scheme can be implemented effectively thereby increasing the broadband connectivity in the country.

The Committee during the Study Visit to Arunachal Pradesh in the month of February, 2011 had been informed that the work of laying OFC network in Arunachal Pradesh with the assistance of Army is on the way and the work is expected to be completed within one month i.e. by March, 2011. When the issue was raised during the course of examination of Demands for Grants, to the surprise of the Committee, the Department has stated that the scheme is likely to be completed by 2013-14. The Committee emphasize that the location of Arunachal Pradesh having border with China has strategic importance and as such there is an urgent need to improve the telecom connectivity and broadband connectivity in the area. All the initiatives with the assistance of Army/other authorities should be taken to provide better telecom connectivity and broadband connectivity in the said area.

Broadband and Gross Domestic Product (GDP)

17. In the background of the finding of survey by World Bank according to which every increase of 10 per cent in broadband connectivity leads to a growth of GDP by 1.38 per cent, the Committee in their Eighth Report had emphasized the need on the part of the Department to conduct a survey to know of the impact of broadband in the growth of GDP in India. The Committee have been informed that the Department is initiating a survey to ascertain the impact of broadband in the growth of GDP in the country. The Committee emphasize that the survey in this regard should be done expeditiously and the outcome thereto intimated to the Committee.

Broadband and National Mission on Education through Information and Communication Technology

18. The Committee while appreciating the major initiatives taken by the Department for providing broadband connectivity to 20,000 colleges and 419 Universities at an estimated cost of Rs. 1323 crore, recommend that steps should be taken by the Department to provide broadband connectivity as per the earmarked target and make it operational in all the colleges and universities to boost the full use of the e-Content as envisaged under National Mission on Education through Information and Communication Technology (NMEICT).

Software in India Languages

19. The Committee have been informed that DIT's Research Programme 'Technology for Indian Language' is carrying out research to enable the support of Indian Language on ICT platform and it has been completed in 22 Indian Languages. The Committee while appreciating the steps taken by DIT would like DoT to coordinate and ensure that software in other remaining Indian languages are also developed at the earliest.

Rural Public Services Terminals (RPST) Scheme to eligible Women SHGs on pilot basis

20. The Committee appreciate that the Department has signed an MoU with BSNL on 11th January, 2010 for subsidy support from USOF for provision of broadband enabled RPST Scheme to eligible Women Self Help Groups (SHGs) on pilot basis. Under the pilot scheme Rural Public Services Terminals (RPST) is to be provided for each of the 2770 rural wire-line exchanges i.e. 1959 in the State of Rajasthan (Ajmer & Bhilwara Districts) and 811 in Himachal Pradesh (Shimla & Mandi Districts). The Committee appreciate the initiatives taken by the Department to involve SHGs under the aforesaid scheme. The Committee emphasize that the aforesaid model of involving women SHGs should be replicated in other States also and full-fledged nationwide scheme launched in this regard.

The Committee find that the objective of RPST scheme is to provide Value Added Services (VAS) such as (i) banking services such as cash withdrawals and remittances whereby the RPST franchisee acts as a bank, (ii) facilitation of Government disbursements/transactions (NREGA, Pensions, PDS etc.), (iii) Railway, Airline and Bus Ticketing, Mobile Top-ups, Utility Bill Payments, etc. which will generate additional revenue for the SHG, (iv) retailing Airtime (PCO services) and (v) retailing of Life, General and Micro Insurance services such as crop, cattle, health and home insurance. The Committee understand that the Department of Information Technology is implementing the scheme Common Service Centres (CSCs) for providing support to establish one lakh Common Service Centres in six lakh villages of India. The aforesaid scheme of the Department of Information Technology envisages CSCs as the front and delivery point before Government, private and social sector services to rural citizens of India in an integrated manner. The Committee find that there is some sort of commonalty in the objectives of the pilot scheme launched by the Department of Telecommunications and full-fledged scheme being implemented by the Department of Information Technology. The Committee urge that the Department should study the implementation of both the schemes and ensure that there is no duplication in the two schemes.

OFC based Network for Defence

21. The Committee have further been informed that to sort out the issue of approval of additional cost of Rs. 4957.03 crore for the OFC tender to Army and Navy, the Inter-Ministerial Group (IMG) which include representatives from Ministry of Defence, Planning Commission, Department of Economic Affairs (DEA), wireless Planning & Co-ordination (WPC), BSNL and DoT under the Chairmanship of DDG (DS), DoT has been requested to deliberate on the issue as a whole and give its report within two weeks. The Committee hope that inter-Ministerial Group may have submitted its report by now. Keeping in view the importance of OFC network for the Armed Forces as well as to the fact that vacation of additional spectrum is on the condition of providing OFC connectivity to the Armed Forces, the Committee strongly recommend that the issue of providing additional cost of Rs. 4957.03 crore for the OFC tender to Army and Navy as well as all other related issues should be sorted out expeditiously and earnest action is taken to provide Optical Fibre Cable based network to Army and Navy.

Roll out obligation of 2G Spectrum

22. As per para 10.2(1) of the Licence Agreement, the licensor may without prejudice to any other remedy available for the breach of any conditions of licence, by a written notice of 60 Calendar days from the date of issue of such notice to the licencee, terminate these licences under specified circumstances which include failure to perform any obligations under the licence including timely payments of fee and other charges due to the licensor, failure to rectify within time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the licensor, if licensor goes into liquidation or ordered to be wound up and if the licence is recommended by TRAI for termination of licence for non-compliance of terms and conditions of the licence. The Committee are surprised to note that the Department has not maintained data with regard to licensees issued notices for not agreeing to the aforesaid obligations as per the Licence Agreement. When the specific information was asked, the Department in a very vague manner has stated that compliance to different conditions of licensees are dealt with in various wings/units of DoT and compilation of violations by approximately 260 existing UAS licensees is not readily available. The Department has further mentioned that it would take sometime to collect the data desired by the Committee.

The Committee further find that 120 new licences of 2G spectrum for Unified Access Service were issued by the Department in January, 2008. Para 35.2 of the Licence Agreement

specifically provides for roll out obligations and penal provisions for violation. As per the Agreeement, for delay in roll out of more than 52 weeks, the licences may be terminated under the terms and conditions of the Licence Agreement. The Committee further note that in the delay of less than 52 weeks, the licensor is entitled to recover LD charges at the specified rates as mentioned in para 35.2 of the Licence Agreement. When asked for the specific information about the number of operators who are yet to start 2G operations after obtaining the licence, the Department at one place has mentioned the name of 6 licensee companies viz. S. Tel Private Limited (Jammu and Kashmir), Spice Communications Limited (Andhra Pradesh), Spice Communications Limited (Haryana), Spice Communications Limited (Maharashtra), Idea Cellular Limited (Karnataka) and Idea Cellular Limited (Punjab). It has been mentioned that the licensees have been allocated start up allocations after award of UAS but have not yet registered with Telecom Enforcement and Resource Monitoring (TERM) Cells of Department of Telecommunications for coverage testing of their network to meet the roll out obligations as per licence conditions. As per the information furnished by the Department, till date no UAS licence has been terminated. At another place it has been mentioned that recently TRAI recommended for cancellation of 74 UAS licences for violation of roll out obligation conditions. With regard to issue of show cause notices, there is no clarity with regard to number of licencees who have been issued show cause notices. At one place it has been mentioned that show cause notices for termination have been issued to 5 licensees and for additional 5 licensees notices are under approval. In the same para, it has been mentioned that in addition to above, 3 show cause notices for cancellation of UAS licences have been issued for violation of roll out obligation conditions and 2 more show cause notices for termination are under approval. In the next line, it has been mentioned one show cause notice for termination has been issued for violation of the licence conditions and intra-service area merger guidelines and 5 more notices of similar violations are under legal vetting. Not only that it has also been mentioned 64 cases have been referred back to TRAI for their reconsideration in the context of licence conditions. To add this the analysis of the detailed statement sent by the Department along with the written replies reveal that against the column of date of issue of show cause notice to the licencees at 5 places viz. Etisalat DB Telecom Pvt. Ltd. (Delhi), Etisalat DB Telecom Pvt. Ltd. (Mumbai) show cause notices have been stated to be issued on 7 March, 2011. Again in case of Sistema Shyam TeleSevices Ltd. (Assam), Sistema Shyam TeleSevices Ltd. (Kerala) and Sistema Shyam TeleSevices Ltd. (West Bengal) show cause notices have been stated to be issued on 5 March, 2011. In case of Spice Communications Limited (Andhra Pradesh) and Idea Cellular Limited (karnataka), it has been mentioned that show cause to the licencee is under approval. In the

column of remarks of AS Cell, DoT against 7 licensees roll out has been shown within one year from the date of startup spectrum allocation and in 2 cases it has mentioned as more than 52 weeks. The aforesaid licensees are apart from the licensees to whom the show cause notices have been stated to be issued in the detailed statement.

The aforesaid position clearly indicates that there is lot of confusion with regard to the number of licensees who could not meet the roll out obligations and to whom the show cause notices have been issued. Not only that, out of 74 UAS licenses recommended for cancellation by TRAI for violation of roll out obligation condition, the Department acted in respect of only 10 odd licensees. Remaining 64 cases have been referred back to TRAI for their reconsideration in the context of licence conditions. The Committee note that 120 2G licenses were issued on January, 2008 and already more than three years have passed. During these three years no action seems to have been taken to cancel the licenses of the defaulter licensees as clearly stipulated in the terms and conditions of the licenses. Show cause notices were issued only during the month of March and April, 2011 and that too in respect of only 5 or 6 licensees. What is surprising to the Committee is that no UAS license has ever been terminated till now even when cancellation of the license is a legal binding as per the license agreement as acknowledged by the Department. To add to this, one of the conditions of cancellation of notice as per para. 10.2 (1) of the License Agreement the details of which have already been given above is to terminate the licence if so recommended by TRAI for termination for non compliance of the terms and condition of the license. The Committee fail to understand the inaction on the part of the Department with regard to cancellation of as many as 74 UAS licenses as recommended for cancellation by TRAI for violation of roll out obligation conditions. The Committee deplore the way the Department and its various wings are functioning.

The Committee may further like to highlight that 120 new Licenses of 2G spectrum for Unified Access Services were issued at a very reasonable price. Even then, the licensees fail to meet out the roll out obligations. The scarce resource that is spectrum remained idle with the service providers which was a clear loss to the customer for the benefit of whom the spectrum was allocated. What is really disappointing to note is that LD charges are imposed if the delay in roll out is upto 52 weeks. Beyond that neither the licences are being cancelled as provided in the agreement nor penalty charges seem to have been being imposed. This clearly indicates that the default above 52 weeks is more a favourable position where neither the penalty is imposed nor cancellation is done as is apparent from the aforesaid position. The Committee strongly disapprove the inaction of the Department which made the default above 52 weeks a gainful

position. While deploring the way the Department and its various Wings have failed to ensure compliance of the roll out obligation by the service provides, the Committee strongly recommend that strict action should be taken against the defaulter licensees.

23. The Committee further find that as per the Licence Agreement, if the roll out delay is less than 52 weeks, the licensor is entitled to recover LD charges as specified in the para 35.2 of the Licence Agreement for Provision of Unified Access Service. In the detailed statement furnished to the Committee the penalty amount calculated as per the licence conditions is Rs. 311.55 crore. In reply to question asking about the amount calculated by the Department by invoking the penal provision for the non-roll out of services after availing the 2G spectrum, it has been stated that an amount of approximately Rs. 220 crore has been calculated by the Department. The word 'approximately' indicates that even about the penalty calculated from the licensees, the Department is not sure of the amount. The difference between penalty calculated and the money collected is to the tune of Rs. 91.55 crore. It means that the defaulter licensees have not even deposited the LD charges with the Department. The Committee while expressing serious concern would like to strongly recommend to take strict action against the defaulter licensees. Besides, the details of such licensees who did not even pay the LD charges may also be intimated to the Committee. The Committee would like to emphasize that accountability of the officials in this regard should also be fixed. The Committee may be kept informed about the action taken in this regard.

Roll out obligation of 3G Spectrum Services

24. The Department has also informed the Committee that the decision for termination for UAS licence was being taken after considering the replies of show cause notice by the competent authority. In this connection, the Committee would like to be apprised about the date of furnishing the replies by the defaulter licensees. The Department has also informed that many licensees have filed the petitions in the Hon'ble TDSAT against the imposition of LD charges and matter is subjudice. The Committee would like to be apprised about the number of such licensees and the details of their grievances. The Committee would also like to be apprised of the dates when the petitions in TDSAT by these licensees have been filed.

The Committee further find that with regard to the allocation of 3G spectrum the stipulated roll out period is within 5 years of the effective date. The aforesaid provision has been made as per the amendments of UAS Licence Agreements issued from 1 September, 2010. The

Committee consider 5 years too long a period for the roll out obligation. The Committee are unable to understand such a great difference of roll out period between 2G and 3G. In case of 2G, the roll out has to be effective within 52 weeks i.e. one year and in case of 3G upto 5 years the service providers can hold up the roll out. The Committee may also like to highlight that spectrum is a scarce and non-renewable natural resource. The best way is the efficient and effective utilization of the resource. The aforesaid provision of 5 years for roll out obligation of 3G spectrum would result in blocking of the scarce resource. The Committee are of the strong opinion that the aforesaid provision need to be reconsidered by the Department in the light of the observations made above.

Undersea Cabling between Mainland and Andaman & Nicobar (UM&AN)

25. The Committee note that during Eleventh Plan, the Department envisages an important project i.e. Undersea cabling between Mainland and Andaman & Nicobar (UM & AN) in order to provide an alternate and more importantly reliable communication link to avoid communication black out in a disaster. It was proposed to have a submarine cable link from Mainland to Andaman & Nicobar Islands. The scheme was initially proposed to be funded by Government of India and executed by M/s Millennium Telecom Limited, a joint venture company of BSNL and MTNL. During the year 2009-10 Rs. 61 crore provided at BE stage was reduced to Rs. 52 crore at RE stage. The utilization during the year was nil. Again during the year 2010-11 Rs. 161.84 crore were provided at BE stage. At RE stage, the allocation was reduced to zero. During the year 2011-12 again total allocation of Rs. 0.01 crore has been provided for the project. With regard to non-execution of such an important scheme, the Committee in the Action Taken Notes to Eighth Report had been informed that M/s Millennium Telecom Limited board appointed a Committee for rechecking the financial viability of the project and the Committee in its report had decided that it may not be possible to invest such a huge amount by BSNL and MTNL alone. Keeping in view the high cost of the project, it was suggested by the Committee to consider the possibility of forming a consortium with the telecom operators of other countries where MTNL is proposing to have its landing stations. As per the latest position as indicated during the course of examination of Demands for Grants 2011-12, Planning Commission had constituted a Technical Committee to consider various options in this regard. The Technical Committee in consultation with Andaman and Nicobar Islands Administration has, inter-alia, recommended that six Islands viz. Port Blaire, Little Andaman, Havelock, Car Nicobar, Kamorta and Great Nicobar should be connected to mainland by submarine Optical Fibre Cable (OFC) through a branching cable from the existing

submarine cables. The Committee have further been informed that Planning Commission has decided that the project may be implemented by the Andaman & Nicobar Islands Administration either directly or through the Andaman and Nicobar Islands Integrated Development Corporation (ANIIDCO) as considered appropriate. It has been informed that appropriate allocation for the submarine OFC project would be made out of the total allocation for Andaman and Nicobar Islands. The Committee deplore the way the implementation of one of the scheme is being delayed and the onus has now been shifted to the Andaman and Nicobar Islands Administration mainly due to financial constraints. The Government do not seem to have learnt lesson from the recent Tsunami in Japan. The Committee while deploring the way the scheme is being shuttled from the Centre Government to the Andaman and Nicobar Islands even when specific allocations for the scheme were provided in the Eleventh Plan allocations and specific outlay was earmarked during the first three years of the Eleventh Plan. While deploring the situation, the Committee strongly recommend that immediate action may be taken to implement the scheme without any further delay.

Undersea Cabling to Lakshadweep

26. The Committee further note that there is a proposal for laying of submarine cable of 955 kms. for which the project estimate for connectivity of Ernakulam with various Islands of Lakshadweep including Kavarati was sent to DoT with an estimated cost of Rs. 435.69 crore. Apart from this, USOF has taken up the proposal from BSNL for upgrading the satellite media to all Islands of Lakshadweep to 34 Mb capacity. BSNL has submitted the requirement of Rs. 33 crore & Rs. 41 crore for CAPEX & OPEX respectively. The Committee have now been informed that USOF is evaluating various options for augmentation bandwidth to various Islands of Lakshadweep. The Committee emphasize that the decision in this regard should be taken expeditiously.

Centre for Development of Telematics (C-DoT)

27. While evaluating the financial achievement of C-DoT, the Committee find from the data made available by the Department that the allocations made to C-DoT at BE stage are being reduced at RE stage. Even reduced allocations could not be utilized fully during each of the year of Eleventh Plan. During the year 2007-08 the percentage utilization with regard to RE under IEBR was 68.69 per cent and the said utilization under GBS was 96.97 per cent. During the year 2008-09 there were shortfall in utilization of outlay under GBS component as compared to RE was 89.48 per cent. Coming to the year 2009-10, the BE under GBS and IEBR component was

drastically reduced at RE stage. The GBS was curtailed from Rs. 300 crore to Rs. 140 crore and the IEBR was curtailed from Rs. 45 crore to Rs. 30 crore. The reduced allocations even could not be utilized and the percentage utilization as compared to RE was 90.70 per cent under IEBR and 71.43 per cent under GBS. During the year 2010-11, the position is further worse. BE allocations have been drastically reduced at RE stage both under GBS and IEBR component and the expenditure up to February 2011 is just 11.46 per cent as compared to RE under IEBR and 43.71 per cent under GBS component. The Committee find that C-DoT is the telecom research and development centres of the Government and besides developing solutions, one of the mandate of C-Dot is to provide optical and satellite transport and access technologies and solutions required for strategic sectors. The Committee deplore the continuous under utilization of outlay by such an important organization. The Committee would like to be apprised of the specific reasons for under spending and how far it could affect the important programmes of C-DoT

Import of Telecom Equipments and Security Concerns

28. The Committee are surprised to note that the Department did not notice any security threats due to import of SIM cards before the matter was pointed out by the Ministry of Home Affairs. What surprised the Committee more is the fact that neither the Department thought of any potential security threat that could have been emanated from the SIM cards nor asses any security threats that could have come due to the use of imported SIM cards in the Country. It was only after the security issues were raised by the Ministry of Home Affairs that the Department has sought information in this regard from the different Telecom Service Providers (TSPs) in the Country. The Committee also note that the Government is making efforts to promote indigenous production of telecom equipments, however, as per the Department the import of telecom equipments cannot be dispensed with. The Committee feel that the importing of SIM cards and telecom equipments from the different countries especially China is a big threat to the National security and, therefore, recommend that all initiatives to have indigenous SIM cards as well as other telecom equipments should be explored and the Committee informed accordingly.

Issue related to BlackBerry

29. The Committee observe that in spite of the security agencies expressing serious concern over the encrypted data of Blackberry and its security risks, the Government have not been able to resolve the problem. The Committee note that Research in Motion (RIM) through its Blackberry Services offers Voice, SMS, BlackBerry Internet Services (BIS), Blackberry Messenger

(BBM) and BlackBerry Enterprise Solution (BES) services. However, due to its nature of highly encrypted data, the Security Agencies want interception of these services in readable format. The Committee have been apprised that out of the various services provided by Blackberry, the Blackberry Messenger and BlackBerry Enterprise Solution services cannot be intercepted in readable format, even if the encrypted message is made available by the service providers. The Committee note that the deadline to access the data in the requisite format from the BlackBerry company have been extended time and again from 31st August to 31st October, 2010 and then to 31st January and again to 31st March, 2011. The Committee have now been informed by the Department regarding the constitution of the Committee to look into all types of encrypted communications. The expected date for submission of the Report by the aforementioned Committee was 20th April, 2011. The Committee express unhappiness over the way the extension after extension are being given to resolve such an important issue related to security of the country. Constitution of Committee for the purpose is another delaying tactics. The Committee are of the firm opinion that no compromise can be made when it is the question of the security of the Nation. As such, the issue need to be taken strongly with BlackBerry so that the matter is resolved. The Committee would also like to recommend to analyse the position internationally to know how the issue has been addressed in other countries.

Mobile Number Portability

30. The Committee in their Eighth Report had recommended that the Department should address the issue raised by the security agencies that the intercept message should not get affected due to the Mobile Number being ported from one operator's network to other while implementing the Mobile Number Portability. Subsequently, the Committee have been informed that various rounds of discussions were held and views of the Security Agencies/Ministry of Home Affairs were sought on the final procedure before issuing the instructions. The views of the Ministry of Home Affairs /Nodal Security Agency have been received and necessary secret instructions have been issued to the Service Providers addressing the security concerns in the porting process. However, the Committee are disheartened to note that there have been numerous instances across the country where the subscribers are making calls on their officially deactivated SIMS even after availing of Mobile Number Portability raising concerns of abuse and possible security risk. The Committee are dismayed to note that instead of taking instant corrective measures to remedify the situation, the Department has simply informed that a close watch on the matter is kept by the TERM Cells of the DoT and based on the feedbacks from the Telecom Service Providers and the subscribers, various instructions have been issued to resolve

the problem. While deploring the state of affairs concerning the Mobile Number Portability and security risk, the Committee strongly recommend that the Department should again take up the matter with the Ministry of Home Affairs and determine the potential security threats at the earliest. The Committee also recommend that the various provisions of the 'Telecommunications Mobile Number Portability Regulations 2009 as amended' should be followed by the various Telecom Service Providers in letter and spirit.

TRAI on Pesky Calls

31. The Committee note that in order to address the issue of pesky calls, the Department/TRAI have taken various steps which include technical upgradation of network to filter the unwanted telemarketing calls/SMSs and have brought about a regulation entitled 'The Telecom Commercial Communications Customer Preference Regulations, 2010'. The Committee are, however, surprised to note that as per the Department most of the service providers except BSNL and MTNL are ready to implement the Regulation. As per the BSNL, the Regulation cannot be implemented as they are of the opinion that the Regulation to be brought out under Regulations 20(2)(h) and 20(2)(i) is not technically feasible for the BSNL at this stage. The BSNL has also has opined that it would entail a huge avoidable capital burden and it is totally unwarranted for BSNL to implement the Regulation as they have no role with regard to unsolicited commercial communications. MTNL also informed the Committee that they have also similar problems to BSNL regarding the implementation of the Regulation. However, if at all they have to implement the TRAI Regulation, 2010, it will take them about one year time for arranging the filtering facility in their network. The Committee in their earlier Report had recommended that expeditious action should be taken by the Department so that the subscribers get respite from the pesky calls. However, the above observation clearly indicates that the Department has not been able to resolve the problems of pesky calls and therefore, the Committee once again recommend that the Department should thrash out all the problems associated with pesky calls and at the same time address to the various difficulties expressed by the various service providers to meet the requirements of TRAI Regulations 2010.

Bharat Sanchar Nigam Limited (BSNL)

32. The Committee are constrained to note that in spite of concerns shown by the Committee year after year for improving the deteriorating condition/performance of BSNL, the PSU has been plagued by the various problems. The scrutiny of the various documents with regard to the performance of BSNL reveal that the persistent problem of non-utilisation of Outlay has continued even during 2010-11. The utilisation status of IEBR with respect to Revised Estimate in

the last four years of the Eleventh Plan upto February 2011 is only 45.07 per cent. The Committee further note with regret that the revenue earned by BSNL has declined considerably in the last four years. Year after year the revenue has declined and during 2009-10 it has incurred a loss of Rs. 1823 crore and for the year 2010-11 the provisional unaudited figure as on 28th February, 2011 projects a loss of Rs. 5220 crore. For the year 2011-12, the PSU has projected a loss of Rs. 2380 crore as per MoU target. Besides, there are many areas of concern which include huge outstanding arrears, surrender of telephones, impact of Mobile Number Portability, etc. As per the documents furnished by the Department BSNL has an outstanding dues of Rs. 587.95 crore as on 31st January, 2011. Circle wise analysis of surrender of BSNL phone indicates that the net achievements for wireline during the last four years has been negative which means disconnection has always been more than connections. During 2007-08, it was -2186308 and in 2008-09, it was -2205865. For the year 2009-10, the net achievements was -1515871 and for the year 2010-11 upto January, 2011, the net achievement is -2353240. The same trend was seen for the WLL phone and as on January, 2011, the net achievement was -762920. Regarding Mobile Number Portability, the Committee are disheartened to note that as on 23rd March, 2011 a total of 5,00,123 subscribers have ported-out of BSNL and 1,83,961 subscribers has ported-in into BSNL GSM Network. The Committee also note that BSNL inspite of commercially launching the 3G services on 27th February, 2009 has not been able to carve a formidable position for itself. From the above observations, it clearly indicates that a lot needs to be done to improve the performance of BSNL. The Committee feel that BSNL being the Public Sector Undertaking should have taken various benefits given by the Government tactfully and should have competed with the private sector service providers more forcefully. With the declining growth of the public sector in the network expansion as mentioned in the earlier part of the Report the PSU need to review the various aspects such as the quality of service, competitive price, easy reach and availability of its various products by its clientele. The Committee feel that besides the various schemes/projects taken up by BSNL with the help of USOF, it should also explore the possibility of capturing the rural market more vigorously. Not only that, BSNL should effectively provide broadband connection to the Community Service Centres (CSCs) in coordination with Department of Information Technology so as to ensure the various e-Governance programme carried out under the National e-Governance Plan are implemented effectively.

Mahanagar Telephone Nigam Limited (MTNL)

33. The Committee are disheartened to note that MTNL has not been able to put its house in order to ensure that precious funds meant for the development of telecom sector in the country

are optimally and judiciously utilized. The above observation of the Committee can be substantiated by the fact that in the last four years, it has been able to utilize only 61.08 per cent of the Outlays with respect to the Revised Estimates as on February, 2011. Further, the PSU has incurred huge financial loss since the year 2009-10. During 2009-10, it had incurred a loss of Rs. 2610.97 crore and during 2010-11 it has incurred a loss of Rs. 1727.38 crore upto 31st December, 2010. As per MoU target, the PSU has projected a loss of Rs. 1140.11 crore for the year 2011-12. It has also a huge outstanding arrears of Rs. 2303.77 crore as on 28th February, 2011. The Committee also note that year after year the surrender of telephones is also increasing especially in Mumbai. The surrender of telephone in Mumbai during 2008-09 and 2009-10 were -66,118 and -82,606 respectively. For the year 2010-11 till February, 2011, the total number of phones that have been surrendered in Mumbai sector is reported to be -51,763. In Delhi the gross connection both for wireline and wireless has declined over the years. During 2007-08, the total gross connection was 1,48,966, however, declined to 89,559 connections as on February, 2011. The Committee also note with dissatisfaction that after the implementation of Mobile Number Portability, a total of 34698 subscribers have ported out of MTNL and only 7718 subscribers have ported in MTNL GSM Network. From the above observations, it clearly indicates that MTNL has to really gear up all its energies to overcome the various lacunae as pointed out by the Committee and take corrective actions immediately. Needless to say that the PSU should crease out all the grey areas and set realistic and achievable targets and accordingly project their financial Outlay to ensure their effective and optimal utilisation. The Committee hope their concerns would be taken into account while initiating various schemes/projects by MTNL during the Twelfth Five Year Plan.

Indian Telephone Industry (ITI) Limited

34. The Committee are disheartened to note that inspite of various steps taken by the Department to transform ITI from a sick company to a vibrant institution, the revival plan of ITI has not borne fruit. The Committee note that the strength of ITI lies in the strategic area of communication for Defence and the same has been epitomized by the prestigious Army Static Switch Communication Network (ASCON) Project. It has also executed satellite project such as Carnation for Army, Earth Stations for Airforce and Civilcon for Ministry of Home Affairs. However, the Committee are constrained to note that for the entire Eleventh Plan, the Planning Commission has made an allocation of only Rs. 2.01 crore out of the total Outlay of Rs. 105.87 crore provided for the entire Eleventh Plan. Some of the initiatives taken by the Department include 'Revival Plan 2009' which led to release of a sum of Rs. 2820 crore for discharging its liability to clean up its balance sheet as per the revival package, the policy of Reservation Quota

of 30 per cent of the BSNL/MTNL purchases of the telecom equipments from ITI, release of Rs. 180 crore during March, 2011 towards the working capital for ITI. Further, the Committee also note that the Department has given various advice to ITI which include chalking out of concrete strategic plan for its revival based on a thorough review of its working, operation, establishment, marketing strategy, setting long term goals through value proposition by designing a road map and initiative to bring out some unique value which ITI could present to its prospective customers, technology mapping and benchmarking *vis-à-vis* the current market scenario. The Committee feel that the various suggestions and advice given by the Department to ITI for its revival are in the right direction and feel that Department as well as ITI should take the revival plan forward so that the objectives of setting up ITI i.e. to develop strategic area of communication for Defence is met.

Telecom Expansion in the North-East Sector

35. The Committee note that several measures have been put in place by the Department to improve the telecom expansion in the North-East areas which *inter-alia* includes increase in installations of number of Base Transceiver Stations (BTSs), providing OFC connectivity with 2.5 G rings to cover all District Headquarter/Sub District Headquarters and en-route towns of Assam, NE-I and NE-II and expansion of broadband service in area using high speed ADSL2+ technology. However, the Committee are constrained to point out that during the last four years there have been under achievements in the financial targets. Out of the total Outlay of Rs. 2255.43 crore provided during the last four years of the Eleventh Plan, the percentage of utilisation as on 31st January, 2011 is only 61.19 per cent. The Committee also note that during 2010-11, out of the approved Outlay of Rs. 384.20 crore only Rs. 198.23 crore could be utilized as on January, 2011. Further, under achievements of physical targets have also been noticed which *inter-alia* include Net Switching Capacity Lines (Wired+WLL+CMTS), Wireline and Wireless Connections, VPTs, Broadband capacities and Broadband connections. Out of the target of 6,50,366 Net Switching Capacity Lines, only 1,63,857 could be achieved as on 31st December, 2010. During the said period, the fixed line had a negative growth of -98,886, whereas, the achievement made in wireless was only 4,88,420 out of the target of 11,05,000 connections. With regard to the VPTs as per Census 2001, only 415 VPTs could be achieved out of the stipulated target of 2,477 VPTs. The broadband capacity had made an achievement of only 16,388 ports out of the target of 40,367 ports, whereas, the broadband connections could be made to only 26,194 out of the target of 79,185 connections. This clearly indicates that the measures taken by the Department are not

adequate and there is a need to give more focus attention so that this part of the Country which is devoid of various communication infrastructure do not remain cut off from the rest of the Country.

The Committee observe that preparation for Twelfth Plan would commence from 1 April, 2012, may be going on. As such, there is an urgent need to review the implementation of various projects/schemes being implemented in North Eastern Region particularly related to telecom and broadband connectivity during the Eleventh Plan so that the necessary corrective action can be taken. In this regard, the Committee would like to recommend that a Committee may be constituted in consultation with the Ministry of Development of North-Eastern Region with the mandate to give the report within six months. The said Committee may look into various aspects related to North-Eastern Region particularly the telecom and broadband connectivity in the context of preparation and finalization of Twelfth Plan. The desired action in this regard may be taken and the Committee informed accordingly.

Emerging Issue

E-Waste

36. The Committee note that the total quantity of e-Waste generated during 2007 was 3,32,979 metric tonnes which is expected to increase to about 8 lakh metric tonnes by 2012. The e-Waste generated by mobile phones during 2007 is stated to be 1655 metric tonnes. A number of Research and Development have been initiated at the various National Institutions in India which *inter-alia* include development of processing technology for recycling and reuse of electronic waste, environmentally sound methods for recovery of metals from Polychlorinated Biphenyls (PCBs) and recovery and conversion of plastic from Waste Electrical and Electronic Equipment (WEEE) to value added products. The Committee also appreciate to note that the National Metallurgical Laboratory at Jamshedpur has successfully recycled upto 1 metric tonnes of e-Waste on pilot basis which include e-Waste out of mobile phones and is now attempting to take it to possible commercial application. The Committee appreciate the initiatives taken by the various organizations to deal with the issue of e-Waste, nevertheless, they would like the Department to continue its efforts to overcome the potential threats of e-Waste taking into account that it contents hazardous constituents that negatively impact the environment and human health. The Department in coordination with DIT should also strive to have in place a legislation mandating electronic manufactures and importers to take back used electronic

products at the End-of-Life (EoL) based on the principle of Extended Producer Responsibility (EPR) and the Committee informed accordingly.

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

New Delhi
22 July, 2011
31 Sravana, 1933 (Saka)

Appendix-I

ANNEXURE-I

Statement showing Proposed allocation, Budget Estimates, Revised Estimates, Actual Expenditure & %-age Utilisation for 2007-08, 2008-09, 2009-10, 2010-11 (exp. up to Feb 2011)

(Rs. in Crore)

Scheme/ Programme	2007-08					2008-09					2009-10				
	Proposed	BE	RE	Actuals	%-age utilisation w.r.t. RE	Proposed	BE	RE	Actuals	%-age utilisation w.r.t. RE	Proposed	BE	RE	Actuals	%-age utilisation w.r.t. RE
BSNL	22881.00	22881.00	14065.00	7239.43	51.47%	18591.00	18591.00	17891.00	10876.00	60.79%	14015.00	14015.00	14015.00	12681.38	90.48%
MTNL	2309.00	2309.00	1692.33	932.46	55.10%	2430.97	2430.97	1304.28	871.12	66.79%	1725.02	1725.02	1352.00	1194.70	88.37%
ITI	0.00	0.00	0.00	0.00	…	0.00	0.00	0.00	0.00	..	0.00	0.00	0.00	0.00	
C-DOT (IR)	31.97	31.97	31.97	21.96	68.69%	37.63	37.63	29.96	29.96	100.00%	45.00	45.00	30.00	27.21	90.70%
(I) Total IEBR	**25221.97**	**25221.97**	**15789.30**	**8193.85**	**51.89%**	**21059.60**	**21059.60**	**19225.24**	**11777.08**	61.26%	**15785.02**	**15785.02**	**15397.00**	**13903.29**	**90.30%**
ITI	135.00	1.00	1.00	0.00	0.00%	75.00	0.00	0.00	0.00	…	135.00	1.00	1.00	0.00	0.00%
WMO	16.55	15.00	6.38	0.00	0.00%	20.90	15.00	15.00	4.15	27.67%	35.00	15.00	6.00	5.24	87.33%
WPC	11.40	11.40	16.92	8.25	48.76%	4.40	4.00	9.70	3.69	38.04%	6.40	1.00	4.00	0.41	10.25%
TRAI	4.00	3.00	8.00	3.00	37.50%	24.00	10.00	10.00	3.00	30.00%	11.00	10.00	10.00	10.00	100.00%
TDSAT	1.25	1.25	1.25	1.15	92.00%	1.25	1.00	1.30	1.30	100.00%	1.00	1.00	1.20	1.19	99.17%
TEC	22.25	20.25	0.45	0.13	28.89%	21.16	10.00	1.01	0.08	7.92%	12.14	8.00	1.90	1.33	70.00%
C-DoT	196.00	129.10	99.00	96.00	96.97%	235.00	153.00	121.82	109.00	89.48%	336.24	300.00	140.00	100.00	71.43%
TETC	8.00	6.00	4.00	0.00	0.00%	9.00	5.00	3.00	3.01	100.33%	5.00	5.00	0.05	0.00	0.00%
UMA&N	1.00	1.00	1.00	0.00	0.00%	343.00	5.00	0.00	0.00	…	5.00	61.00	52.00	0.00	0.00%
TDIP	2.00	2.00	4.00	3.66	91.50%	3.00	2.00	2.00	1.60	80.00%	3.00	3.00	3.00	1.76	58.67%
DS	930.00	150.00	108.00	108.00	100.00%	175.04	170.00	561.17	561.17	100.00%	1000.00	26.00	211.85	267.42	126.23%
NICF															
MCT															
USOF															
(II) Total GBS	**1327.45**	**340.00**	**250.00**	**220.19**	**88.08%**	**911.75**	**375.00**	**725.00**	**687.00**	**94.76%**	**1549.78**	**431.00**	**431.00**	**387.35**	**89.87%**
Grand Total	**26549.42**	**25561.97**	**16039.30**	**8414.04**	**52.46%**	**21971.35**	**21434.60**	**19950.24**	**12464.08**	**62.48%**	**17334.80**	**16216.02**	**15828.00**	**14290.64**	**90.29%**

Appendix-II

Statement showing Proposed allocation, Budget Estimates, Revised Estimates, Actual Expenditure & %-age Utilisation for 2007-08, 2008-09, 2009-10, 2010-11 (Exp. upto Feb 2011) & 2011-12

Scheme/ Programme	2010-11					2011-12	
	Proposed	BE	RE	Exp. up to Feb. 2011	%-age utilisation	Proposed	BE
BSNL	14891.00	14891.00	10151.74	5913.00	58.25	15277.63	15277.63
MTNL	1204.10	1204.10	1281.84	523.04	40.80	1145.46	1145.46
ITI	0.00	0.00	0.00	0.00	0.00	0.00	0
C-DOT (IR)	40.00	40.00	30.00	11.46	38.20	40.00	40.00
(I) Total IEBR	**16135.10**	**16135.10**	**11463.58**	**6447.50**	**56.24**	**16463.09**	**16463.09**
ITI	28.00	1.00	0.00	0.00	0.00	135.00	0.01
WMO	44.85	42.36	8.00	2.11	26.38	58.00	58.00
WPC	0.50	0.50	12.90	0.20	1.55	9.00	9.00
TRAI	11.00	11.00	13.00	13.00	100.00	12.00	12.00
TDSAT	1.30	1.30	1.30	1.01	77.69	1.40	1.40
TEC	11.56	8.00	4.26	0.00	0.00	7.94	7.94
C-DoT	283.90	269.00	152.80	43.71	28.61	289.91	222.64
TETC	5.00	2.00	2.00	0.00	0.00	2.00	2.00
UMA&N	161.84	161.84	0.00	0.00	0.00	0.00	0.01
TDIP	5.00	3.00	3.00	0.07	2.33	3.00	3.00
DS	1500.00	1500.00	200.00	0.00	0.00	2500.00	1000.00
NICF						1.00	1.00
MCT						1.00	1.00
USOF							2100.00
(II) Total GBS	**2052.95**	**2000.00**	**397.26**	**60.10**	**15.13**	**3020.25**	**3418.00**
Grand Total	**18188.05**	**18135.10**	**11860.84**	**6507.60**	**54.87**	**19483.34**	**19881.09**

Appendix-III

Broadband Coverage of Village Panchayats 31.01.2011

Sl.No	Circle	Total VPs	Village Panchayats Covered through broadband			Planned through Broadband		
			ADSL	Wi-Max	Total Covered	ADSL	Wi-Max	Total Planned
1	A & N	67	56	0	56	0	0	0
2	A P.	21862	10917	2349	13266	0	2772	2772
3	Assam	3943	710	295	1005	0	1994	1994
4	Bihar	8460	1730	534	2264	72	6712	6784
5	Chattisgarh	9837	1493	252	1745	326	2815	3141
7	Gujarat	14439	7014	585	7599	0	1717	1717
8	Haryana	6234	4103	1139	5242	0	1245	1245
9	H.P	3241	1551	109	1660	734	1168	1902
10	J & K	4146	642	0	642	6	2077	2083
11	Jharkhand	4559	321	640	961	0	3847	3847
12	Karnataka	5657	3256	167	3423	109	590	699
13	Kerala	999	997	0	997	0	0	0
14	Kerala-Lakshadeep	10	5	0	5	1	0	1
15	M P	23022	2636	1521	4157	291	11181	11472
16	Maharashtra	28078	9514	780	10294	0	5184	5184
17	N E I -Tripura	1040	160	694	854	0	648	1348
18	NE-I-Mizoram	768	175		175	6		
19	NE-I-Meghalaya	1463	43		43	0		
20	NE-II-Arunachal Pradesh	1756	70	266	336	0	316	316
21	NE_II-Manipur	3011	60		60	0		
22	NE-II-Nagaland	1110	982		982	0		
23	Orissa	6233	1379	711	2090	0	1922	1922
24	Punjab	12809	9704	689	10393	82	848	930
25	Chandigarh	17	16	0	16	0	0	0
26	Rajasthan	9200	2424	522	2946	0	5424	5424
27	Tamilnadu	12617	7450	320	7770	0	1985	1985
28	TN-Pondicherry	98	98	0	98	0	0	0
29	U P (East)	37607	7913	1168	9081	0	28526	28526
30	U P (West)	14518	2585	3149	5734	0	8705	8705
31	Uttaranchal	7546	1698	303	2001	0	974	974
32	W. B.	3354	1295	292	1587	211	1714	1925
33	WB-Sikkim	163	66	0	66	5	0	5
	Total	**247864**	**81063**	**16485**	**97548**	**1843**	**92364**	**94901**

Details of the Show-Cause Notice and the penalty amount calculated as per the licence conditions for the 120 UAS Licensees

Sr. No.	Name of the service area	Name of licensee	Effective date of licence Agreement	Penalty amount calculatedas per license condition in Crores	Date of issue of demand notices to the Licensee	Date of issue of show cause notice to the Licensee	Remarks of AS cell, DoT
1	Andhra Pradesh	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	4.35	12/14/2010		
2	Delhi	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	7	1/19/2011	07.03.2011	
3	Gujarat	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	1.25	12/14/2010		
4	Haryana	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	0.75	12/23/2010		
5	Karnataka	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	4.55	12/23/2010		
6	Kerala	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	4.75	1/19/2011		
7	Maharashtra	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	2.15	12/28/2010		
8	Mumbai	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	7	12/28/2010	07.03.2011	Registered with TERM cell on 1.3.2011
9	Punjab	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	1.85	12/23/2010		
10	Rajasthan	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	0.45	12/23/2010		

11	Tamilnadu (including Chennai Service Area)	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	4.95	12/28/2010		
12	Uttar Pradesh (East)	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	2.75	12/14/2010		
13	Uttar Pradesh (West)	Etisalat DB Telecom Pvt. Ltd.	25-Jan-2008	1.55	12/14/2010		
14	Assam	Idea Cellular Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
15	Jammu & Kashmir	Idea Cellular Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
16	Karnataka	Idea Cellular Ltd.	25-Jan-2008	7	21.4.2011	Under Approval	More than 52 weeks
17	Kolkata	Idea Cellular Ltd.	25-Jan-2008	No LD			
18	North East	Idea Cellular Ltd.	25-Jan-2008	No LD			Less than 15 days delay
19	Orissa	Idea Cellular Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
20	Punjab	Idea Cellular Ltd.	25-Jan-2008	4.35	21.4.2011		
21	Tamilnadu (including Chennai Service Area)	Idea Cellular Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
22	West Bengal	Idea Cellular Ltd.	25-Jan-2008	0.2	1/14/2011		
23	Andhra Pradesh	Loop Telecom Ltd.	25-Jan-2008	0.4	12/14/2010		
24	Assam	Loop Telecom Ltd.	25-Jan-2008	0.25	12/28/2010		

25	Bihar	Loop Telecom Ltd.	25-Jan-2008	0.5	12/28/2010		
26	Delhi	Loop Telecom Ltd.	25-Jan-2008	NA			
27	Gujarat	Loop Telecom Ltd.	25-Jan-2008	No LD			15 days delay
28	Haryana	Loop Telecom Ltd.	25-Jan-2008	0.25	1/14/2011		
29	Himachal Pradesh	Loop Telecom Ltd.	25-Jan-2008	0.25	12/28/2010		
30	Jammu & Kashmir	Loop Telecom Ltd.	25-Jan-2008	0.6	12/28/2010		
31	Karnataka	Loop Telecom Ltd.	25-Jan-2008	0.5	12/14/2010		
32	Kerala	Loop Telecom Ltd.	25-Jan-2008	0.55	12/28/2010		
33	Kolkata	Loop Telecom Ltd.	25-Jan-2008	1.85	12/14/2010		
34	Madhya Pradesh	Loop Telecom Ltd.	25-Jan-2008	0.3	12/23/2010		
35	Maharashtra	Loop Telecom Ltd.	25-Jan-2008	0.15	12/23/2010		
36	North East	Loop Telecom Ltd.	25-Jan-2008	0.55	12/23/2010		
37	Orissa	Loop Telecom Ltd.	25-Jan-2008	0.2	1/14/2011		
38	Punjab	Loop Telecom Ltd.	25-Jan-2008	No LD			
39	Rajasthan	Loop Telecom Ltd.	25-Jan-2008	0.2	12/28/2010		
40	Tamilnadu (including Chennai Service Area)	Loop Telecom Ltd.	25-Jan-2008	0.3	12/23/2010		
41	Uttar Pradesh (East)	Loop Telecom Ltd.	25-Jan-2008	0.45	12/28/2010		

42	Uttar Pradesh (West)	Loop Telecom Ltd.	25-Jan-2008	0.5	1/14/2011		
43	West Bengal	Loop Telecom Ltd.	25-Jan-2008	6.75	1/14/2011		
44	Assam	S Tel Pvt. Ltd.	25-Jan-2008	3.55	12/28/2010		
45	Bihar	S Tel Pvt. Ltd.	25-Jan-2008	1.15	12/28/2010		
46	Himachal Pradesh	S Tel Pvt. Ltd.	25-Jan-2008	No LD			
47	Jammu & Kashmir	S Tel Pvt. Ltd.	25-Jan-2008	6.35	1/19/2010		
48	North East	S Tel Pvt. Ltd.	25-Jan-2008	5.55	1/19/2011		
49	Orissa	S Tel Pvt. Ltd.	25-Jan-2008	4.15	1/14/2011		
50	Andhra Pradesh	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.05	12/14/2010		
51	Assam	Sistema Shyam TeleServices Ltd.	25-Jan-2008	7	12/28/2010	05.04.2011	
52	Bihar	Sistema Shyam TeleServices Ltd.	25-Jan-2008	2.35	12/28/2010		
53	Delhi	Sistema Shyam TeleServices Ltd.	25-Jan-2008	2.75	2/9/2011		
54	Gujarat	Sistema Shyam TeleServices Ltd.	25-Jan-2008	4.75	12/28/2010		
55	Haryana	Sistema Shyam TeleServices Ltd.	25-Jan-2008	4.35	12/14/2010		
56	Himachal Pradesh	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.15	12/23/2010		
57	Jammu & Kashmir	Sistema Shyam TeleServices Ltd.	25-Jan-2008	3.15	12/23/2010		

58	Karnataka	Sistema Shyam TeleServices Ltd.	25-Jan-2008	0.6	12/14/2010		
59	Kerala	Sistema Shyam TeleServices Ltd.	25-Jan-2008	7	1/19/2011	05.04.2011	
60	Kolkata	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.15	1/19/2011		
61	Madhya Pradesh	Sistema Shyam TeleServices Ltd.	25-Jan-2008	2.15	12/28/2010		
62	Maharashtra	Sistema Shyam TeleServices Ltd.	25-Jan-2008	5.35	12/28/2010		
63	Mumbai	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.65	2/9/2011		
64	North East	Sistema Shyam TeleServices Ltd.	25-Jan-2008	5.15	12/28/2010		
65	Orissa	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.85	1/14/2011		
66	Punjab	Sistema Shyam TeleServices Ltd.	25-Jan-2008	0.95	12/23/2010		
67	Tamilnadu (including Chennai Service Area)	Sistema Shyam TeleServices Ltd.	25-Jan-2008	0.4	12/28/2010		
68	Uttar Pradesh (East)	Sistema Shyam TeleServices Ltd.	25-Jan-2008	3.55	12/14/2010		
69	Uttar Pradesh (West)	Sistema Shyam TeleServices Ltd.	25-Jan-2008	1.95	12/14/2010		
70	West Bengal	Sistema Shyam TeleServices Ltd.	25-Jan-2008	7	1/6/2011	05.04.2011	

71	Andhra Pradesh	Spice Communications Ltd.	25-Jan-2008	7	21.4.2011	Under Approval	More than 52 weeks
72	Delhi	Spice Communications Ltd.	25-Jan-2008	NA			
73	Haryana	Spice Communications Ltd.	25-Jan-2008	4.35	21.4.2011		
74	Maharashtra	Spice Communications Ltd.	25-Jan-2008	4.35	21.4.2011		
75	Assam	Tata Teleservices Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
76	Jammu & Kashmir	Tata Teleservices Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
77	North East	Tata Teleservices Ltd.	25-Jan-2008	No LD			With in one year from date of Startup Spectrum allocation
78	Delhi	Unitech Wireless (Delhi) Pvt.Ltd.	25-Jan-2008	NA			
79	Assam	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	4.35	12/28/2010		
80	Bihar	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	1.85	12/28/2010		
81	North East	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	4.35	12/28/2010		
82	Orissa	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	5.35	12/23/2010		
83	Uttar Pradesh (East)	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	3.15	12/14/2010		

84	West Bengal	Unitech Wireless (East) Pvt. Ltd.	25-Jan-2008	3.75	12/30/2010		
85	Kolkata	Unitech Wireless (Kolkata) Pvt. Ltd.	25-Jan-2008	4.95	12/14/2010		
86	Mumbai	Unitech Wireless (Mumbai) Pvt. Ltd.	25-Jan-2008	6.35	2/1/2011		
87	Haryana	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	3.55	1/14/2011		
88	Himachal Pradesh	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	2.15	12/23/2010		
89	Jammu & Kashmir	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	4.75	12/23/2010		
90	Punjab	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	5.75	1/19/2011		
91	Rajasthan	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	2.75	12/23/2010		
92	Uttar Pradesh (West)	Unitech Wireless (North) Pvt. Ltd.	25-Jan-2008	0.85	2/9/2011		
93	Andhra Pradesh	Unitech Wireless (South) Pvt. Ltd.	25-Jan-2008	3.15	12/14/2010		
94	Karnataka	Unitech Wireless (South) Pvt. Ltd.	25-Jan-2008	1.95	12/14/2010		
95	Kerala	Unitech Wireless (South) Pvt. Ltd.	25-Jan-2008	4.95	12/23/2010		
96	Tamilnadu (including Chennai Service Area)	Unitech Wireless (Tamil Nadu) Pvt. Ltd.	25-Jan-2008	5.55	12/23/2010		
97	Gujarat	Unitech Wireless (West) Pvt. Ltd.	25-Jan-2008	5.55	12/30/2010		

98	Madhya Pradesh	Unitech Wireless (West) Pvt. Ltd.	25-Jan-2008	6.75	1/14/2011		
99	Maharashtra	Unitech Wireless (West) Pvt. Ltd.	25-Jan-2008	5.75	12/28/2010		
100	Andhra Pradesh	Videocon Telecommunications Ltd.	25-Jan-2008	1.55	1/14/2011		
101	Assam	Videocon Telecommunications Ltd.	25-Jan-2008	6.75	1/14/2011		
102	Bihar	Videocon Telecommunications Ltd.	25-Jan-2008	1.35	12/28/2010		
103	Delhi	Videocon Telecommunications Ltd.	25-Jan-2008	NA			
104	Gujarat	Videocon Telecommunications Ltd.	25-Jan-2008	1.35	12/14/2010		
105	Haryana	Videocon Telecommunications Ltd.	25-Jan-2008	0.25	1/6/2011		
106	Himachal Pradesh	Videocon Telecommunications Ltd.	25-Jan-2008	0.65	12/23/2010		
107	Jammu & Kashmir	Videocon Telecommunications Ltd.	25-Jan-2008	6.35	1/19/2010		
108	Karnataka	Videocon Telecommunications Ltd.	25-Jan-2008	1.65	1/14/2011		
109	Kerala	Videocon Telecommunications Ltd.	25-Jan-2008	1.25	1/19/2011		
110	Kolkata	Videocon Telecommunications Ltd.	25-Jan-2008	6.95	12/14/2010		

111	Madhya Pradesh	Videocon Telecommunications Ltd.	25-Jan-2008	0.4	1/14/2011		
112	Maharashtra	Videocon Telecommunications Ltd.	25-Jan-2008	1.85	12/23/2010		
113	Mumbai	Videocon Telecommunications Ltd.	25-Jan-2008	6.35	2/8/2011		
114	North East	Videocon Telecommunications Ltd.	25-Jan-2008	6.55	1/19/2010		
115	Orissa	Videocon Telecommunications Ltd.	25-Jan-2008	2.15	12/23/2010		
116	Rajasthan	Videocon Telecommunications Ltd.	25-Jan-2008	0.25	12/23/2010		
117	Tamilnadu (including Chennai Service Area)	Videocon Telecommunications Ltd.	25-Jan-2008	1.45	2/8/2011		
118	Uttar Pradesh (East)	Videocon Telecommunications Ltd.	25-Jan-2008	1.95	1/6/2011		
119	Uttar Pradesh (West)	Videocon Telecommunications Ltd.	25-Jan-2008	0.4	12/14/2010		
120	West Bengal	Videocon Telecommunications Ltd.	25-Jan-2008	3.35	1/6/2011		

Appendix-V

COMMITTEE ON INFORMATION TECHNOLOGY
(2010-2011)

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 29th March, 2011 from 1500 hours to 1740 hours in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Rao Inderjit Singh –Chairman

MEMBERS

Lok Sabha

1. Shri Rajendra Agrawal
2. Shri Nikhil Kumar Choudhary
3. Dr. Charles Dias
4. Smt.Darshana Vikram Jardosh
5. Shri Mithilesh Kumar
6. Shri Inder Singh Namdhari
7. Shri Rem Das Rai
8. Dr. Bhola Singh
9. Shri Dhananjay Singh
10. Shri Sushil Kumar Singh,

Rajya Sabha

11. Shri M.P. Achuthan
12. Shri Mohammad Adeeb
13. Shri Salim Ansari
14. Prof. Alka Balram Kshatriya
15. Shri P. Rajeeve

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Shri H.R. Kamboj - Additional Director

WITNESSES
DEPARTMENT OF TELECOMMUNICATIONS

Sl. NO	Name	Designation
	Shri R. Chandrashekar	Secretary (DoT)
	Ms. Vijayalakshmy K Gupta	Member (F)
	Shri Chandra Prakash	Member (T)
	Shri S.C. Mishra	Members (S) & CMD, BSNL
	Shri Ajay Bhattacharya	Administrator (F), USOF
	Smt. Sadhana Dikshit	Advisor (F)
	Shri S.R. Rao	AS(T)
	Shri Narendra Kumar Srivastava	Sr. DDG (TEC)
	Dr. Ashok Chandra	Wireless Advisor
	Shri Malay Srivastava	JS (T)
	Shri Shahbaz Ali	DDG (TPF)
	Shri A.K. Mittal	DDG (AS)
	Shri M.P. Tangirala	DDG (LF-I)
	Shri G.P. Srivastava	DDG (CS)
	Smt. Archana G. Gulati	Jt. Admn. (F)
	Shri Kuldeep Goyal	CMD, MTNL
	Shri K.L. Dhingra	CMD, ITI
	Shri Ram Narain	DDG (Security)
	Shri N. K. Joshi	DDG (SU)

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) relating to the examination of Demands for Grants (2011-11) of the Department. The Chairman also drew the attention of the Members to the fact that the Demands for Grants of the Department of Telecommunications have already been passed by the Parliament without the same being referred to the concerned Departmentally Related Standing Committees after suspension of Rule 331G of the Rule of Procedure and Conduct of Business in Lok Sabha. However, as per the ruling of the Hon'ble Speaker, Lok Sabha the Demands for Grants have been referred to the Standing Committees for examination and report.

(The representatives of the Ministry were then called in.)

3. The Hon'ble Chairman welcomed the Secretary, Department of Telecommunications and other officers accompanying him to the sitting of the Committee and drew their attention to the provisions of Direction 55(1) of the Directions by the Speaker, Lok Sabha on the confidentiality of the matter till the Report is presented to the House. Thereafter, the representatives of the Department of Telecommunications briefed the Committee and explained various aspects pertaining to examination of Demands for Grants (2011-12) with the help of power point presentation. The various issues deliberated during the sittings included thrust areas of the Department relating to Eleventh Plan targets viz. network expansion, rural telephony & broadband expansion. The representatives also highlighted the revenue receipts from the year 2007-08 to 2010-11 (upto February, 2011) and the Demands for Grants (2011-12) both for Gross Budgetary Support and Internal and External Budgetary Resources highlighting plan and non-plan proposals.

4. The representatives of Department of Telecommunications responded to the issue raised by the Hon'ble Chairman in his opening remarks regarding networks expansion, persistent problem of under utilization of outlays, 100 day time frame to begin the process of charting a new Telecom Policy, security concerns with regard to import of telecom equipments, BlackBerry and Mobile Number Portability. Thereafter, the Members sought certain clarifications on the issue relating to Demands for Grants (2011-12) of the Department.

5. The Secretary was requested to furnish written replies on which information was not readily available.

A copy of verbatim proceedings of the sitting has been kept.

The Committee, then, adjourned.

Appendix-VI

STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2010-2011)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 18th May, 2011 from 1500 hours to 1615 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri P. Rajeeve – in the Chair

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Milind Deora
5. Dr. Charles Dias
6. Shri Mithilesh Kumar
7. Shri Inder Singh Namdhari
8. Shri Abdul Rahman
9. Shri Prem Das Rai
10. Shri Tufani Saroj
11.... Dr. Bhola Singh
12. Shri Dhananjay Singh

Rajya Sabha

13. Prof M.P. Achuthan
14. Shri Mohammad Adeeb
15. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Shri H.R.Kamboj - Additional Director

2. As the Chairman was not present, the Committee under Rule 258(3) chose Shri P. Rajeeve, M.P. and a Member of the Committee to preside over the sitting.

3. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to consider and adopt the draft Report on Demands for Grants (2011-12) of the Department of Telecommunications (Ministry of Communications and Information Technology). He also drew the attention of the Members to the Direction 55(1) relating to confidentiality of the matter till the Report is presented to the House.

4. Thereafter, the Committee took up for consideration the aforesaid Report and adopted the same with additions to Para Nos. 23 and 35 of Part II of the Draft Report as given in the Annexure.

5. The Committee, then, authorized the Chairman to finalise the aforesaid draft Report in the light of the factual verifications made by the Department of Telecommunications (Ministry of Communications and Information Technology) and present the same to the House on a date convenient to him.

The Committee, then, adjourned.